

FOREWORD

Trying to predict world events and the direction of the global economy is no easy task. The events in 2014 have already surpassed the way we expected things to have gone. The Middle East is once again in a conflict situation with Israel; Russia has become the skunk of the western world with the downing of a Malaysian airline by pro-Russian rebels; the recovery of the global economy is stuttering and America is losing its place as the world leader. All of this is leading to businesses being more cautious, and a resultant stagnation and even a slowdown in many areas of the economy is on the rise. However, some major retailers and businesses worldwide have indicated that they expect an upturn in the second half of 2014 and early 2015 - although not at the levels experienced pre-2008. Consumer confidence is holding out, but it is not at the levels needed to secure real economic growth.

Stock exchange rates are still cautious and jittery in many instances, but this is not regarded as too serious - although some adjustments on global exchanges are expected. The European union and the euro is still under pressure and the expectations indicate that it will take some time to resolve all the issues - unless some countries pull out of the agreement!

It would appear that 2014 bring its own challenges and that world leaders will have to stand up and be counted if direction is to be given to the world economically, politically and morally. Leaders in the respective super power nations will have to show some form of statesmanship and leadership to restore investor confidence and to stabilise the markets. Even China has experienced some challenges in their economic growth rate and will have to manage their resources and progress more optimally.

Having painted the picture above, the ever-changing global environment also provides opportunities for academics and scholars to reflect on their teachings and to what extent these happenings can and will impact on theories and practices. Academics need to factor these events, changes, and happenings into their teachings in order to broaden and enhance the level of actuality teaching required in today's day and age. There is a renewed call for the integration of theory and practice, or work integrated learning, in order to prepare students for the real world after study. The lessons learned every day in business must in some way be integrated with classroom teaching.

In this volume we evaluate a new book on advertising and promotion, as well as share the opinion of a leading business person on the trends in the economy.

We are also proud to announce that the name of the journal has been changed to: "The Retail and Marketing Review".

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Prof. Michael C. Cant

Professor Michael Cant is the Head of Marketing and Retail Department at the University of South Africa (Unisa). In this position, his responsibility includes: the development of staff; course design; the development of new modules/courses and degrees; and liaison with the business community to ensure that all qualifications are in line with the specific needs of the business world.

He acts as promoter for both Master's and Doctoral students. He is the chairperson of the Departmental Marketing Committee of Unisa, as well as a member of the Marketing Committee of the College of Economic and Management Sciences.

In 1999 a major retailer in Africa, *MassDiscounters*, sponsored a substantial amount of funds for the development of a BCom degree in Retail Management. This sponsorship has been utilised for research in the field of retailing, course development, and to fund the Chair in Retail Management for which Prof. Cant is the incumbent. He secured these funds largely due to the fact that he and his staff members had been able to assist MassDiscounters, through the academic programmes offered by the Centre for Business Management, to train their employees and develop their own in-house programmes.

Unisa presented a merit award for research to Prof. Cant in 1998, and again in 2002. His research outputs include contract research and contributions to prescribed textbooks, either as editor or as an author. His research projects which deal with student perceptions of certain academic matters, their attitudes towards specific components for the curricula, their needs, and so on have been completed. He has also published a number of research articles in both local and international academic journals. Prof. Cant also serves on the boards of the Journal of Retail and Consumer Services.

Advertising in the eye of the time-constrained beholder

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ABSTRACT

The magnetism of the advertising media may not only stimulate customers' satisfaction and interest in an advertisement but it may create purchase intention. However, in the process of advertising, consumers take time to view and engage with advertisements. In this regard the question can be asked whether a single advertisement can have the desired impact on a diverse audience's lived experience of the advertising in the light of perceived time constraints. An exploratory study was conducted to investigate this question, in which 52 diverse socioeconomic South African participants contributed to focus group discussions. The findings confirm disparate perceptions in the way consumers from the affluent, middle and mass economic markets engage, utilise and interpret various forms of new and traditional advertising media as a result of profound differing dynamics encapsulating the lived experience of time. By understanding consumers' attitude towards advertising and the media in which it features, marketers can better strategise their advertising designs.

Keywords: Advertisement; media; time constraint; consumer; attitude, purchase intention, socioeconomic markets

Time. A scarce commodity in advertising. With advertising being notoriously costly it is essential for marketers to target the intended audience in the right space of time and for consumers to take time to view and interpret the advertisement, research the advertised message, engage in discussion about the viewed advertisement and act on the message as intended by the advertisement. Time and timing are of the essence.

Consumers evaluate their world in terms of 'time, space and possessions' (Kaynak, Kara, Chow, & Apil 2013: 632). In this regard, do diverse consumers perceive an advertisement to be equally persuasive during the time taken to create product awareness? The manner in which advertising is perceived is mostly

subjective. Attitudes and feelings towards different media can be derived from personal and psychological factors (Idris, Yajid, & Khatibi 2009). Consumer attitude to time (Okazaki 2004) and personal experience of time (Rosa 2003; Jacobs & Gerson 2004; Licoppe 2004) usually determine the relationship between consumer and advertising media (Hirschman & Thompson 1997) given consumers' daily time constraints. Advertising effort, usually judged according to the presumed advertising expense, results in the reciprocal advertising exchange between advertised brand and consumer. Since consumers spend time, also mental effort, in viewing, analysing and discussing advertisements, they generally expect a well presented advertisement (Dahlén, Granlund, &

Grenros 2009). Suri and Monroe's (2003: 100) research indicates that having to make consumer decisions, especially under time pressure, involves 'perceived sacrifice to arrive at their judgements of value'. This implies that 'perceptions of value will increase with increases in perceived quality or decrease in perceived sacrifice'. The opposite also holds true. These authors also state that consumers' 'motivation to process information' has an effect on 'systematic processing...irrespective of the level of time pressure'. For advertising, this could suggest that consumers would be more willing to 'sacrifice' personal time to not only view an advertisement, but conscientiously 'process' the content thereof if they feel motivated by either the advertising message of advertised product to do so, regardless of their time schedules. In other words, advertising needs to appear beneficial and address a need. In an increasingly cluttered advertising landscape consumers are somehow able to criticise and question advertising messages. Advertising persuasion theory therefore needs to acknowledge both the advertisers' goals and the purpose for which consumers utilise advertisements (Ducoffe 1996).

In line with this study's focus on socioeconomic markets' perceptions of advertising, Zarantonello, Jedidi and Schmitt (2013: 52) established whether advertising should be approached differently in emerging and developed markets. It was found that persuasive advertising in developed markets require both 'experiential' (feeling based) and 'functional' (cognition based) elements, with a somewhat stronger focus on experiential messages with elements that 'stimulate sensations, feelings, imagination, behaviours and lifestyles' as these affective responses that will ultimately motivate purchase intention. On the contrary, 'functional advertising plays a more important role in persuasion' within emerging markets. Disparate findings can be expected from different socioeconomic consumer markets. Underlying cultural values, under which 'time orientation' is categorised, 'differ significantly from one market to another', yet are considered 'one of the most influential factors in consumer behaviour' (Kaynak et al 2013: 632). For this reason, exploring perceptions to advertising and advertising media from different

socioeconomic consumer markets is relevant to the study on which this article is based.

Against the background that time pressure has been identified as a variable capable of influencing consumer behaviour, much of the available literature on the topic of time constraints during advertising is rather dated and recent insights proved to be scarce to source. Equally scarce is literature on time constraints during advertising from socioeconomic markets' perspective. Moreover, the unavailability of literature from the South African consumer context is also evident. This article reports on research conducted on the role that advertising plays in consumers from different socioeconomic markets' time-constrained lives and contributes to the perceived gap in the contemporary body of knowledge. Against this background, this article presents the qualitative findings based on data generated from consumers representing the affluent, middle and mass socioeconomic markets.

CONSUMERS' TIME AND ADVERTISING: A THEORETICAL PERSPECTIVE

Perceived attitude towards advertising in different media contexts, given consumers' availability of time, was the focal point of this research. The magnetism of the advertising media may not only stimulate customers' satisfaction with, and interest in an advertisement but it may create the intention to purchase the advertised product or service. Cost effective advertising could be accomplished by deciding on the most viable media for advertising products and services, and may make it more useful and helpful, not only to the marketer, but also to consumers.

The literature review sets out to identify how marketers can better understand consumers, given the audience's availability of time. The review presents a valuable point of departure from which consumer behaviour in relation to advertising media can be established in the context of perceived time constraints. The overview of the body of knowledge presented in the review is subsequently substantiated with findings from the empirical research.

Consumer attitude towards advertising

Perceived informativeness and entertainment, referred to as *infotainment*, and perceived irritation are the two psychological motives that determine consumer attitude in the adoption of new advertising media (Okazaki 2004: 448). Leiss, Kline, Jhalley and Botterill (2013: 5) argue that 'advertising is not just a business expenditure undertaken in the hope of moving some merchandise off the store shelves, but is rather an integral part of modern culture'. An attitude as such. The value that consumers place on advertising differs due to personal factors (such as gender and age) and psychological factors (for example, personality), which may also affect the choice of advertising medium. Understanding consumers is a basic precept of marketing and advertising. With consumers being generally inundated by new and traditional media advertising initiatives, a key assumption in the adoption of advertising media is that audiences have individual needs. The assumption that consumers are in possession of adequate product information, or alternatively, providing inconsistent or repetitive advertising information, may lead to consumer confusion or annoyance and compromise trust (Walsh & Mitchell 2010). Furthermore, viewing and utilising advertising media requires time, most often personal time. Mobile advertisers should especially be mindful not to invade consumers' privacy and risk trust (Rau, Zhou, Chen & Lu 2013). For this reason the concept of time becomes important when attempting to understand consumers' attitude towards advertising.

Consumers' lived experience of time

'Time' is one of the most commonly used nouns in the English language, according to the Oxford English Dictionary (BBC News 2006). The widespread preoccupation with the speeding up of everyday life in modern societies is noted by Gleick (1999) as the rate of change has accelerated. Advanced technology enables the simultaneity and instantaneity in which life events take place (Lash 2002). Consequently, modern citizens tend to feel so increasingly time harassed with limited personal time (Nowotny 1994), that Rosa (2003: 10) refers to an *acceleration society*. Time pressure is characterised by a perceived unavailability of time within which to weigh alternate consumer decisions (Suri &

Monroe 2003). The emergence of new media technologies, such as the mobile phone and the Internet, creates new kinds of sociotechnical relationships and practices. Urry (2000: 129) refers to *instantaneous time*. The distinction between private and public time has become indistinct (Katz & Aakhus 2002; Ling 2004), and as such, interpersonal correspondence has also become transformed (Licoppe 2004).

Despite these perceived time constraints, television seems to be a preferred form of social media. Shirky (in Kinash & Brand 2014: 57) is of the opinion that approximately 100 million hours have been spent on creating the content of Wikipedia, which is considerably 'much less time than the amount of time people spend watching television'. Nevertheless, time pressure has been shown to be a barrier to consumers' purchasing behaviour. This is evidently seen in studies that examine the effect of time pressure on consumers' healthy food choices (van Herpen & van Trijp 2011: 155), finding that consumers under time pressure speed up the process of knowledge acquisition by avoiding advertising elements they believe will not benefit them, and in this process 'alter their attention process'. Thorough, in-depth processing of information becomes prevented (Rau et al 2013).

Consumer-media relationship

According to Tsang, Ho and Liang (2004), consumers generally have negative attitudes toward mobile advertising unless they have consented to it. A direct relationship between consumer attitudes towards advertisements and consumer behaviour was noted where a positive attitude would inadvertently result in ideal purchasing behaviour, and vice versa. Advertising media provide a frame of reference from which consumers interpret their expected consumption patterns (Hirschman & Thompson 1997). In this regard, consumers position the image of themselves in relation to the images portrayed in advertisements. It is proposed that consumers' interpretation of the media is an intrinsically social and interactive process in which audiences do not react as passive consumers of media persuasion, but rather actively engage in 'exercisef[ing] informed inference' to create meaning (Scott 1994: 466). Consumers' preferred choice of advertising media will therefore be dictated by

their availability of time to engage with advertising media respectively. With the advancement of social media, Kinash & Brand (2014: 57) also shares this sentiment in more recent literature, stating that 'we are doing more creating and less passive consuming'.

Hirschman and Thompson (1997: 47-55) conclude that three types of relationships are formed between consumers and media, namely *inspiring* and *aspiring* relationships, which are emulating relationships focused on constructing a desired self-concept or attainable lifestyle; *deconstructing* and *rejecting* relationships, which are accompanied by consumer scepticism and focused on insulating the self-concept from threatening or unrealistic images. Lastly, *identifying* and *individualising* relationships, which are empathetic in nature and focused on affirming self-concept and current consumption patterns in relation to media images, and icons are viewed as a reflection of one's better qualities.

Value versus attitude

Ducoffe (1996) is of the opinion that the distinction between advertising value and attitude is not clear. However, Liu (2002) identifies a four-dimensional interactivity structure, which requires consumers to make voluntary and active decisions as opposed to most traditional media where consumers rely on what media display with minimal control over the advertising message. In addition, barriers of physical, spatial and temporal distance experienced during traditional interpersonal communication are eliminated with the use of new media interactivity. Advertisements that address consumers' current cognitive and affective needs for information, or psychological motives, would determine how involved the consumer would be, and as such, be an indication of the perceived value of an advertisement to the consumer (Blumler 1979; Katz, Blumler & Gurevitch 1974; Rubin 1981, 1983).

Another framework of consumer perception on advertising is proposed by Wang, Zhang, Choi and D'Eredita (2002: 1147) who identified six factors that contribute to consumers' attitudes towards traditional and new advertising: entertainment, informativeness, irritation, credibility, interactivity, demographics, attitude and motive. They are of the opinion

that the Internet holds much advertising promise in reaching affluent 'goal-oriented consumers' who are pressured for time. However, mobile advertising during high time pressure has been found to cause a negative attitude (Rau et al 2013). The experience of having limited time has manifested as a universal phenomenon. Consumers' respective time-constraints present marketers with the difficult task of determining the most acceptable form in which to advertise to reach the desired target audience in such a way that their advertising and choice of media do not negatively influence the preconceived attitudes and values that already exist towards advertising.

RESEARCH METHODOLOGY

In order to address the role of traditional and new media advertising in consumers' time-constrained lives in the study on which this article is based, the consumer market was categorised according to mass, middle and affluent economic consumer markets to establish whether these consumer segments share similar attitudes and values towards advertising in relation to their respective daily diaries and accompanied time constraints.

Research design and sample

An explorative qualitative approach among adult South African consumers from the general public ranging from the affluent, middle (both emerging and realised markets) and mass socioeconomic segments was applied. Participant criteria for six focus group discussions, each involving 8-12 participants, in the Gauteng region, inclusive of the greater City of Tshwane and Johannesburg, comprised the metropolitan area, household segment and income group due to approximately 34% of South African economic activity being generated from this region's consumers (Masemola, Van Aardt & Coetzee 2010). Household segments were determined based on income group, where mass market consumers earn R0 to R50 000 per annum per household, middle market consumers earn R50 000 to R750 000 per annum per household and affluent market consumers earn R750 000 and higher per annum per household. Each household segment participated in two focus groups.

A random sample of demarcated suburbs in Tshwane and Johannesburg was selected for each household income cluster. These selected areas were used to select a stratified purposeful sample from individual households within specific areas representing different income segments in Gauteng to allow information-rich cases to be included for in-depth study. In essence, the sampled suburbs served as income classifier in selecting individuals for participation in the focus group discussions. Local telephone directories were used as a sample frame to recruit consumers residing within a specific demarcated income area to participate.

The sample structure is reflected in Table 1.

TABLE 1
Sample structure

Recruitment criteria	Mass market sample		Middle market sample		Affluent market sample	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Johannesburg	8	15.3	8	15.3	8	15.3
R0-50 000*	18	34.6	-	-	-	-
R50 000-R750 000*	-	-	18	34.6	-	-
R750 000 +*	-	-	-	-	16	30.7
Total						

Notes: *income group per annum

Table 1 reflects the total sample ($n=52$) for the mass market ($n_1 = 18$), the middle market ($n_2 = 18$) and the affluent market ($n_3 = 16$).

Data collection, research instrument and analysis

Participants were screened telephonically and briefed that the purpose of the discussions was simply to understand the ways in which consumers use and regard various advertising media in the time they have available respectively prior to being recruited to focus groups according to the screening criteria in Table 1. Participation in the focus groups was voluntary and anonymous. One central location each in the suburbs of Tshwane and Johannesburg was used. Target consumers were randomly assigned to either one of the two focus groups held for each income segment respectively. A minimum of two researchers facilitated each discussion group

and all discussions were electronically recorded and transcribed for ethical and analysis purposes. The discussion guide was designed to address this study's main objective, namely to understand the three consumer segments' underlying behavioural motivations, values and attitudes towards traditional and new media advertising within the context of the changing role of advertising media in South African consumers' time-constrained lives, with specific reference to low and high reputation brands, low and high involvement, preferred usage, perceptions, attitudes, trust, perceived value, appropriateness and challenges. Discussions allowed for considerable scope within the discussion for exploring issues as they arose.

Transcribed verbatim responses per income segment were collated and thematically analysed. The credibility and quality of this study was strengthened by applying a triangulation cross-examination approach inclusive of both secondary insights and primary sources. This entailed substantiating

the quality of the research instrument and acquired data through the implementation of data, theory, investigator and methodological triangulation.

INTERPRETATION AND DISCUSSION OF FINDINGS

Each main topic of discussion is presented below and categorised according the findings from the affluent, middle and mass consumer market groups.

Current advertising behaviour

For consumers from the *affluent market* the role of advertising media is threefold as it serves to inform, communicate and entertain. Advertising focuses on satisfying both needs and wants. Affluent participants are prone to being analytical in their comments by challenging information presented to them and not merely accepting advertising media at face value. Awareness of the latent economic role of advertising to generate sales is evident and the effect that advertising could potentially have on consumer demand is implicitly understood within this segment. In addition, this awareness assists these consumers to

appraise the value and benefits of the advertised products, services and ideas and to weigh up the expected benefit against the price that they are offered. This behaviour promotes efficient, rational decision making for purchase intent.

The societal role of advertising has become apparent in so far as advertising influences and contributes to social trends. For example, neighbours who tend to purchase similar items display the notion that they are 'keeping up with the Joneses', which is indicative of conspicuous consumption. Furthermore, parents in affluent households act as role models in terms of purchasing behaviour while browsing advertisements in different ways. Economically literate parents, to whom saving is an important value, may inspire their children to view advertisements with the view of purchasing in the same light. Alternatively, wealthy parents who are not particularly focused on saving behaviour could directly or indirectly convey the message to their children that advertisements can be viewed as a shopper's paradise with no limits in terms of spending. The affluent groups expressed the need for small indulgences as a personal reward and advertising is often seen as an appetiser for this need.

Personal time is valued. As such, higher irritability was voiced with advertising than within the other consumer segment groups. The affluent groups indicated that they often 'zap' through television advertisements making use of their HD PVR (high definition personal video recorder) facility in an attempt to avoid irrelevant advertisements and time wastage. In addition, they felt that mainstream advertising in traditional media underestimates consumers' intelligence and is aimed at divergent lifestyles. It also became quite clear that overtly intellectual advertisements or advertisements that had complicated story lines where viewers were expected to make their own deductions were highly irritating and made them resist the particular products. Responses, such as the following, reproduced verbatim, were expressed:

My daughter just recently bought a cell phone. She saw it on television and she made a choice from there and then only she saw what the cell phone can do.

...for the younger generation, because they're very brand conscious. To the youngsters it's important to impress by having the right brands, everything's got to be just right.

One needs to buy something pleasurable every now and again...but keep the advertising short and factual.

Cellphone...I get hundreds of sms's. Even from my butcher. Sometimes it can be irritating though...it's the middle of the night...here comes the 'ping'...they have no time limit.

It is evident from discussions with the emerging and established middle market groups that the role of advertising media is first and foremost aspirational. Advertisements that display an ideal lifestyle, featuring characteristics consumers aspire to seem to be more noticeable, informative, entertaining and persuasive. In theory, consumers that aspire to the portrayed lifestyle expect materialistic freedom from perceived current constraints. Thus, advertised products and services pitched at affluent consumers may actually appeal to a much broader target market, such as the emerging and realised middle market. The so-called 'Peter Pan syndrome', a pop-psychology term, is particularly applicable to this market as it describes seemingly unattainable aspirational goals, needs and wants. These consumers appear to be less aware of the latent economic role of advertising to generate sales with groups indicating a dichotomy in economic literacy. The role of feelings and emotions in consumer decisions seems to be more apparent in this segment with aspirations and expectations being omnipresent.

For the middle market groups the societal role of advertising media is as evident as in the affluent segment in so far as advertising influences and contributes to social trends. Conspicuous consumption and the influence of role models also define much of the advertising media usage. The middle market consumer appears to be somewhat less rationally discerning with advertising media than the affluent group. There seems to be a stronger preference for advertising media with humorous appeals and high entertainment

value to which these consumers would be willing to dedicate more time. However, these consumers need to be able to exercise choice and control in terms of the time of day they would be willing to afford advertising time to enjoy the content of advertisements. The use of metaphors, symbols, humorous appeals and high entertainment value at an almost subliminal level of cognition is particularly relevant to this market as they appreciate the use of clever concepts, humour and ideas that require indirect thought processes 'between the lines'. The findings from the middle market are represented by the following selected verbatim recordings:

Yes I will look at advertising if I find it interesting or entertaining...like that ad with the Daddy Cool, or what's it?...brilliant...good entertainment, but no I won't run over and buy the product. Because honestly I couldn't even remember for which one of the cell [mobile phone] companies the ad was. But I loved the ad.

I hate those Clientele adverts. If I switch the channel and that's on, I would immediately change the channel again...not bother going back to that channel for some time...very repetitive ...saying the same thing, maybe with a little bit of a different message. But I don't find it entertaining at all.

We know we have germs, we know we have many diseases, but you don't have to throw it in our face that you need to check your house every single day and that you need to sterilise everything that is in your house.

I do not like advertising over cell phones because they contact or sms you any time throughout the day.

The mass market appears to perceive advertising media differently. Literal interpretations of advertising messages emerge as an underlying theme throughout the group discussions. Furthermore, discussions on the relevance of advertising revealed that the proverbs, sayings, people, symbols, metaphors and quotes through which a particular product or service is communicated, are reflective of a particular mind set and personal value set. Advertisers should be mindful of how the value sets of different markets could influence

the interpretation of the same message in a particular advertisement. Reference was made to various literal interpretations of advertisements, which, in their opinions, diminish the credibility of the advertised product or service. Scepticism abounds in this market due to the literal takeout of advertising messages. The use of unrealistic visual stimuli is noticed and visuals demonstrating the actual use of products and services are required to provide justification for usage. Mention was also made that the product needs to be personally experienced in order to establish credibility. Scant evidence regarding the economic role of advertising to generate sales manifested during discussions. High repetition of advertisements that seem single-minded, straightforward and literal are valued and seem to have a higher persuasive impact as opposed to advertisements portraying symbolic messages. The societal role of advertising is also viewed in a different light when compared to the middle and affluent markets. For this segment the concept of conspicuous consumption is not as evident. Rather, groups of like-minded consumers are inclined to discuss and compare advertisements in terms of price and quality offered for products and services at various stores and are consulted during job-searching excursions. Consequently collectivism, as societal value, underpins much consumer decision making and finds expression in a form of herding behaviour. As such, this consumer market tends to be more willing to spend time viewing and discussing advertisements, followed by protracted purchasing behaviour in search of the advertised product, which is often first personally tested prior to purchasing. Once again, the following selected verbatim recordings emerged from the mass market focus group discussions:

The drink in the advertisement that says 'it gives you wings' can't be true.

Hippopotamuses can't eat chocolate. It is now another job to explain to the youth.

Fridges are advertised full of food and drinks but it is empty when you buy it in the shops.

Look out for pamphlets...go from store to store to see products.

I first hear from my friends if they know this product. I will not just buy it if I do not know it.

The evolution of changing advertising media

The affluent consumer has entered a stage of convenience with expanded usage of media devices and content, which are fully embraced by this market. In addition to traditional media exposure, content is increasingly and swiftly available on multiple electronic screens, such as television, personal computer and cell phone, almost anywhere a consumer could possibly require it. The mobility of media devices allows for accessibility of media advertising content to be viewed almost anywhere. ACNielsen (2009) concurs that affluent consumers are spending more time viewing television, their personal computers and cell phones. Greater exposure to evolving technology implies that these consumers are generally also more exposed to both traditional and new media advertising. However, the consumer is also provided with options to feel more in control of this exposure and time allocated to it. Consumer electronic devices, such as digital video recorders (DVR) and personal video recorders (PVR), allow the digital recording, playback and fast-tracking of television viewing. Most of these functionalities were introduced as recently as 2007. Consumers who prefer not to be exposed to television advertisements are now in a position to skip these advertisements. Many households from this segment have various televisions, radios, personal computers and cell phones with Internet accessibility, which allows each family member the opportunity of exercising control over individual audio and visual media needs and devices as opposed to the other economic consumer markets. Some selected verbatim recordings from the affluent market discussions are presented below.

A strong word-of-mouth is something like 'HelloPeter', an anonymous, digital form of word-of-mouth. Word-of-mouth used to be more informal, now it is a more formal way of advertising...people now pay to hear other's word-of-mouth.

I think a few years ago word-of-mouth used to be utilised more as you did not have the

Internet and e-mail, and having to ask someone what they think about something was almost the only resource you used.

I am very happy to have PVR as I can flash through these things [advertisements].

As mentioned previously, the middle market generally aspires to a sought-after lifestyle characterised by affluent convenience. They may therefore also own technologically advanced gadgets, albeit not always to the extent of the affluent consumer. While this market is increasingly embracing digital devices, they are not opposed to traditional media and media advertising. Some households are in a position where they can exercise control over their advertising viewing preferences due to the acquisition of technological devices. However, for most of these families the media viewing control resides mainly in one family member. Some selected verbatim recordings from the middle market discussions are the following:

The Toyota ad is my favourite, I love that! I don't watch the fox terrier because I've got PVR, so I just fast-forward it.

Billboards are ideal as you do not need to buy, or subscribe or give out money to have it. Only those who have DSTV, web-enabled cell phones, Internet and those things can see the new media. Billboards are something that everybody can see as you pass it by, the greatest majority.

The StaySoft and washing powder ads are not aimed at me...South Africa is so diverse, consumers will have an issue with this. It is just something that passes time...however, we are advancing in life, people are becoming more dynamic.

The majority of participants from the mass market segment seem to have a high preference for traditional media advertising. Consumers in this segment that are exposed to digital advertising are apparently in the minority, as their cell phones are limited to the basic contacting functions, and they seldom refer to Internet accessibility. Therefore, their views on the evolution of media advertising are unique. To them, the evolution of advertising entails being able to view

television advertisements in colour as opposed to the black-and-white era of television. Some of them seem aware of the role of modern technology, although to them it means that advertisements are able to convey the same message in a shorter time. Some participants found it difficult to express their views on technology and rather mentioned the improvement of products. The television medium was specifically mentioned in so far as it portrays the benefits and uses of products more visually, which is interpreted as being more realistic, as opposed to the static display of advertisements of the past era. Personal time used to view advertisements was not identified as a concern to these consumers. A pertinent verbatim recording from the mass market discussions highlights this point:

That time when TV was black and white, it was like a thing is bright, you see it's written bright, but you're not sure what colour it is. Now you see, oh, it's bright, you see its colour. So it has changed from the past, from black and white to colour. It's better in colour.

I can say it changes. Like the Aromat one, now they're using the Cheese Aromat. Before they were using the Chilli Aromat or the Original Aromat.

Trust in traditional and new media

Trust is a subjective judgement made by the consumer, based on knowledge from past experience and from the overall image and perception of the particular advertiser or product. In order to place trust in an advertisement, the consumer needs to be able to believe that the advertising message is truthful and factual. In order for an advertisement to be rendered trustworthy, consumers expect both the advertisement and the advertised product or service to adhere to certain subjective criteria, as part of a validation process, after which it can be trusted to be true and factual. The same applies to advertising media, as consumers would tend to prefer viewing advertisements presented in a particular medium if the advertisements presented in that medium has in the past proved to be truthful and trustworthy.

Differences in opinion were expressed by the three segments on the issue of perceived confidence in and trustworthiness of both

traditional and new media advertising. Participants revealed that the product category did not influence the trust placed in various advertising media. Table 2 reflects advertising media ranked from most to less trusted by consumer market segment.

Table 2 indicates that *affluent consumers* view new electronic media and specifically the Internet and television as being trustworthy. Cell phones are also perceived as being trustworthy and were mentioned as important media informing word-of-mouth advertising. New media offer these consumers greater flexibility and the benefit of multi-tasking with other time-consuming work and lifestyle activities. The concept of trust should, however, be interpreted with caution, given the associated advertising scepticism which characterises these consumers. To a certain extent, traditional media are either being replaced by or incorporated into new media, such as the electronic viewing of newspapers as opposed to reading the actual printed version. The affluent participants displayed a need to feel in control of the media types informing them in their purchasing decisions, and as a result thereof, they tended to prefer independently browsing the Internet to find what they are looking for prior to engaging in word-of-mouth. This seems to be indicative of an individualistic consumer mind set, which differs somewhat from the middle and substantially from the mass markets. The use of various media when confronted with high- and low-involvement purchase decisions was also investigated. The trust in various new media and word-of-mouth reflects strongly in high-involvement decisions, with the Internet widely consulted in decisions of this nature. However, the value of word-of-mouth is less social and more individualistic compared to the middle and mass markets.

A noteworthy dualism emerged within the *middle market* consumer groups. Among the mature participants (established middle market), a stronger preference for traditional media advertising was expressed. Although participants utilised new media devices on almost a daily basis, the reasons given ranged from being more conventional in nature to a general annoyance with new media, which tends to be omnipresent. These participants, however, often made reference to their teenage

TABLE 2
Trust in advertising media

Ranked trust	ADVERTISING MEDIA		
	Affluent market	Middle market	Mass market
1	Internet	Word-of-mouth	Word-of-mouth
2	Television	Billboards	Television
3	Word-of-mouth	Pamphlets/flyers	Radio
4	Cell phones	Internet	Pamphlets/flyers
5	Billboards	Television	Newspapers
6	Radio	Cell phones	Billboards
7	Magazines	Radio	Advertising in/on transport
8	Pamphlets/flyers	Magazines	Internet
9	Demonstrations	Demonstrations	Magazines
10	Newspapers	Newspaper	Cell phones
11	<i>Insufficient reference made to 'advertising in/on transport'</i>	<i>Insufficient reference made to 'advertising in/on transport'</i>	Posters (A3) <i>Insufficient reference made to 'demonstrations'</i>
	<i>Insufficient reference made to 'posters'</i>	<i>Insufficient reference made to 'posters'</i>	

and young adult children (emerging middle market) who demonstrate a greater affinity for new media, especially cell phones, due to their mobility and accessibility, as well as the social status such technology appears to afford them. The younger participants in these groups agreed with this perception. It would seem that conspicuous consumption is more evident among the emerging middle market consumers as opposed to the established middle market and affluent participants. Yet, in the case of reliable advertising sources, all participants agreed that word-of-mouth advertising remains the most effective. When participants were confronted with high-involvement decisions, word-of-mouth, billboards and pamphlets seem to be of greater importance and influence.

Consumers from the *mass market* revealed a strong affinity for traditional media advertising. The majority of mass market consumers have either not been exposed to a variety of new media devices yet, or they are unable to access the Internet regularly enough to make informed purchasing decisions. Consequently, they rely on word-of-mouth advertising to a greater extent. Many of these participants seem to duplicate their peers'

purchasing decisions with ease, while others would validate word-of-mouth advice with other printed confirmations, especially if visually realistic in nature such as readily available pamphlets and television advertisements. This dynamic confirms the importance of social acceptance and influence on consumer decision making. In comparison to the affluent and middle markets, the mass market mentioned radio advertising as a more prominent medium, which is both accessible and trustworthy. However, the auditory nature of radio broadcasting is overshadowed by the audio-visual impact of television advertising. High-involvement decisions are largely dependent on the social structures in which consumers function, and therefore word-of-mouth plays a vital role in this regard. In addition, these participants find newspaper advertising more trustworthy than magazine advertising, since advertisements in daily newspapers appear regularly and without major time lapses. Advertisements in weekly or monthly magazines, in contrast, lose their impact because of the longer intervals between them. As far as time is concerned, it became clear that these consumers prefer viewing printed advertisements on a daily basis as a means to stay abreast of latest products and

special offerings, however, they are not of the opinion that personal time is wasted during this endeavour.

Challenges facing the advertising media industry

Arguably, as a consequence of having more options to choose from, the *affluent market* tends to become increasingly more discerning, both regarding personal time and what they would like to receive in media advertising. Increasing flexibility and speed have become salient concerns. These consumers are bombarded with an increasing array of advertising messages per day. Modern technological devices do, however, allow consumers to simply switch off or tune out. An assortment of product options is available, which underlines the need for concise, informative, creative and thought-provoking advertising messages to be effective. Participants were given the opportunity to mention what they believe could be challenges currently faced by the advertising media industry. Three of the relevant responses are provided below.

... Especially these days where we have a variety of brands. Unless you know of someone who has already tested it ... or else you go for the old brand that everybody's known for years.

I think it's not advertising as such in a crisis. Because at the end of the day I think those people who do advertising sometimes lose the point of the advertising.

I don't trust what just any person tells me. After listening to five people I will remain critical in the questions I'll ask.

Advertisements are required to present product offerings that will fulfil the *middle market's* need for conspicuous consumption in such a manner that the message is entertaining, yet intellectually considerate. Social media will need to become more predominant in establishing product awareness and commercialising brands to better support traditional advertising or text-based advertisements. Increased use of more creative advertising and content for greater online interactivity seems imperative. The generational divide between younger and more

mature consumers is evident in this segment. Younger middle market consumers appear to be much more open to mobile advertising, such as via cell phones, whereas the more mature generations express a stronger inclination towards traditional media advertising, such as pamphlets, television and billboards. Targeting the middle market therefore implies that advertisers will need to be certain of the age group at whom the advertising campaign is aimed. The following are excerpts from representatives of the middle market:

The issue of competitiveness between brands ... And advertisements are getting more expensive, making it difficult for the smaller companies.

Target market ... I think it is difficult making an advertisement which targets everybody, something everybody can associate with.

It [advertising] is expensive and people are discerning.

The *mass market* expresses a need for media advertising that involves some form of educational value. The manner in which the youth could interpret the symbolic content of media advertisements seems to be of concern to many participants from this segment, and as such, advertisements conveying the realistic 'truth' are more credible. Advertisements should ideally be informative, and in many cases, step-by-step directions or benefits need to be explicated. This market understands the challenge the advertising industry is facing due to Internet inaccessibility to a great majority of South Africans. Furthermore, due to the high illiteracy rate in South Africa, traditional print media advertising also faces the challenge of not reaching the desired target market. Some verbatim responses in this regard are the following:

There are challenges...advertising a product without teaching us people.

You can tell them about your product but at the end of the day what do you want to know is that ... what do I pay for the product? What will I get from it?

Do not advertise on the Internet. You are not

going to reach a lot of people, especially those poor people who don't have access to Internet.

Usually they make them [advertisements] difficult to understand.

SYNTHESIS

Figure 1 conceptualises the outcome of the study on the role of traditional and new media advertising in consumers' time-constrained lives. The focal themes explored in this qualitative research and displayed in the figure involve the perceptions of the affluent, middle and mass markets pertaining to current advertising behaviour, evolution of changing media advertising, trust in traditional and new media as well as the perceived challenges facing the advertising media industry. The concentric circles denote the intensity level of each of the four focal themes.

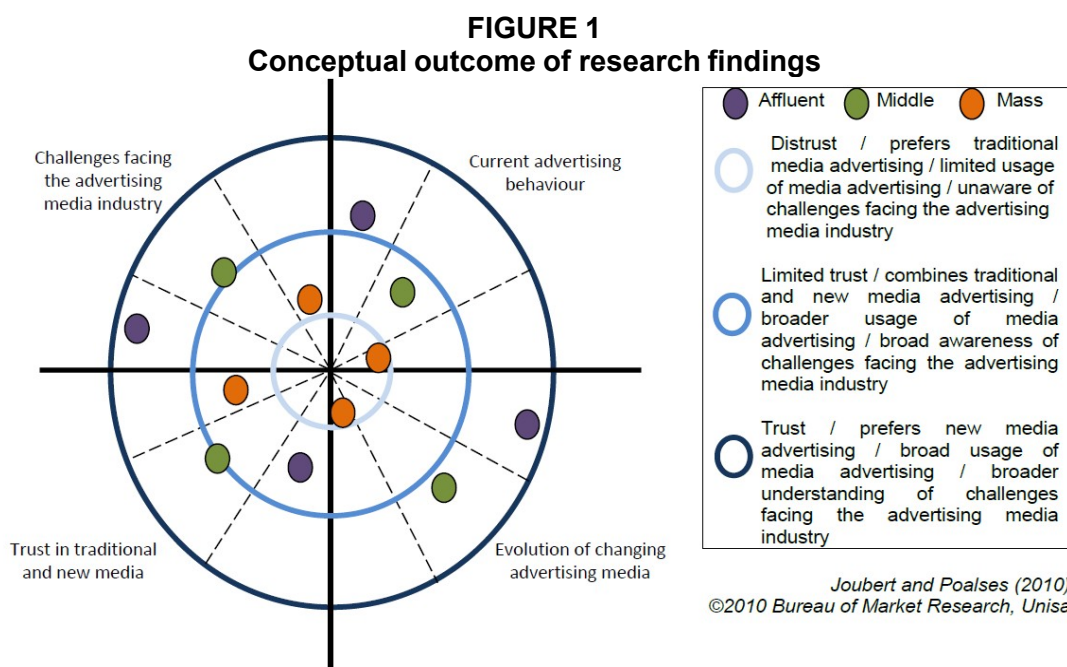
Against the theoretical framework of Hirschman and Thompson's (1997) consumer-media relationship and how the different relationships influence consumers' self-concept, presented earlier in this paper, the empirical research findings confirm affluent, middle and mass market consumers' media relationship fit the theoretical descriptions. *Affluent consumers* maintain an *identifying* and *individualising* relationship as they utilise new media advertising to affirm their self-concept and current consumption patterns in relation to

media images which are viewed as a reflection of their better qualities. It also seems that *middle market consumers'* relationship with advertising media can be categorised as *inspiring* and *aspiring* given the evident concept of conspicuous consumption behaviour, which are emulating relationships focused on constructing a desired self-concept or attainable lifestyle. Conversely, *mass market consumers* rather seem to uphold a *deconstructing* and *rejecting* relationship characterised by scepticism and focused on insulating the self-concept from perceived threatening or unrealistic images.

CONCLUSION

Time is indeed a scarce commodity in advertising as the manner in which advertising is perceived is undeniably mostly subjective. Time scarcity is especially evident among middle- and affluent consumer market groups as opposed to the mass market who did not denote the concept of time. The aim of this article was to debate whether diverse affluent, middle and mass socioeconomic consumers have comparable perceptions about the persuasiveness of an advertisement during the time taken to create product awareness. Our findings offer several key contributions which have implications for research and marketing practice.

It seems that the perceived pace of life and



related technological innovations have accelerated during the past few years. This notion is particularly relevant in the affluent market and less so among the middle and mass markets because it is less persuasive there. As a result of this dynamic, consumers' lived experience of time plays a profound role in the way they feel towards and ultimately approach media advertising. Technological advancements aid modernised consumers in being able to choose whether or not to view advertising, specifically new media advertising. The extent to which consumers from various markets extend their trust towards traditional and new advertising media differs. Although word-of-mouth communication is collectively considered to be a trustworthy medium, differentiation was evident in the manner in which the content is sourced by various consumers. The affluent market obtains information idiosyncratically from, among others, the Internet and television, while the mass market's sourcing occurs in a largely collectivist manner by means of discussions about traditional advertising media between like-minded groups of consumers. Television and radio advertising is also discussed as social platforms and distilled into trustworthy information. The middle market's word-of-mouth communication is, in contrast, mainly informed by outdoor advertising, pamphlets, flyers and, to a lesser extent, the Internet and television. Cell phones serve as an Internet substitute among the emerging middle market for the distribution of marketing messages, and also inform this segment's word-of-mouth communication. In the affluent market they fulfil a complementary function to the Internet. Depending on the value, quality, longer-term investment and associated risk involved in the purchase of the product or service, different purchasing behaviours are evident among the various segments. A consumer's choice in advertising medium from which information is gathered is predominantly derived from a convenience perspective, mainly driven by availability of time.

A key assumption that emanated from this study is that audiences from various markets have different cognitive, affective and interactive needs when engaging and adopting various advertising media. It can be concluded that the post-modern perception of time has

influenced advertising media preferences, engagement with various advertising media as well as attitude towards and usage of these media. It is furthermore evident that associated digital technological media advancements have contributed to the changing perception of advertising media. Increased access to information is evident among all segments, but the current economic climate appears to have resulted in a move back to reliance on word-of-mouth advertising and testimonials from family, friends and role models. The pace of life has accelerated for most consumers from the middle and affluent markets, which evidently results in a preference for electronic and/or mobile media advertising which offers the self-regulatory control of viewing time and viewing length. The mass markets' contrasting lifestyle leans more towards a slower, unhurried perspective, with less need to attend to multiple timelines, and as such, verbal word-of-mouth discussions and traditional media advertising appeals more to them. By understanding consumers' feelings, attitudes and behaviour towards advertising and the media in which it features, marketers can better strategise their advertising designs.

Implications, limitations and recommendations

Advertising campaigns relying on the Internet as an integral component will miss a large section of the emerging middle and mass South African markets. With broadband becoming a fact of life, the following few years are bound to change the Internet accessibility landscape dramatically. For the majority of users, limited access is still a reality, dictated by limited computer and Internet browsing access. Regardless of the age of the middle and affluent participants spoken to and/or their access to new media such as cell phones and the Internet, consumers maintain that for any product or service to be taken seriously, a traditional media presence is a prerequisite. It is therefore suggested that the majority of any marketing support should still be allocated to the appropriate relevant traditional media channel. A combination of television and the Internet can produce effective advertising, enhanced by the addition of the emerging mobile platform. Internet diffusion will in all probability remain relatively low with the minority South Africans having access to the Internet. For new

media the biggest migration is towards the Internet and cell phones, which in the long run, could pose a serious threat to print media, whether newspapers or magazines. During the focus groups, very few of the younger generation admitted to ever buying magazines or newspapers. Instead, they indicated that they accessed whatever information they required via the Internet.

It is suggested that radio and outdoor advertising media will still continue to play an important role in reaching consumers. To do justice to their budget allocation, messages should be short and concise to ensure that the majority of consumers and customers actually understand the message, find it credible, a little entertaining, likeable and therefore memorable. Often clients or creative directors insist on so-called 'clever' or intellectual advertisements without realising that viewers are bombarded with countless messages per day and that these 'clever' messages are more often than not lost and advertising spend therefore wasted. The tenets of the ideal strategy and execution of advertising should constitute simple, concise and to the point communication with some entertainment value without undermining consumers' intelligence and time constraints.

The research on which this article is based was not without *limitations*. Exploration focused on understanding how different socioeconomic consumers perceive advertising and advertising media given their respective time constraints. There may be other factors that could have influenced the outcome of the study that has not been explored or addressed in this article, such as consumer values and lifestyles. Although the empirical research provided space to discuss all types of traditional and new media advertising, discussions naturally tended to gravitate towards television, Internet and cellphone marketing with only some reference to other advertising media. Reference was also made to word-of-mouth as a marketing channel. In addition, although it was not the main objective of the study, the research also attempted to differentiate between perceptions regarding advertisements depending on product category or service provided. Findings revealed that consumers tend to be creatures of habit, following habitual approaches

regardless of type of product or service. Lastly, In view of exploratory nature of the study, the findings cannot be generalised. Nevertheless, the richness of the findings retrospectively challenge understanding of the general advertising media usage in so far as different perspectives of time and advertising are apparent within the various socioeconomic segments in the consumer market.

It is *recommended* that this research be expanded to be inclusive of a larger proportion of South African consumers. The conceptual framework reflected raises several hypotheses which could be quantified in subsequent quantitative research. Additional variables could be tested for, such as generational cohort and gender, as age group and gender may also perceive advertising differently given their respective life roles that impact on time availability. Underlying consumer values and lifestyles could also be considered. Quantitative capturing of consumers' time diaries when viewing and utilising certain types of advertising media and content can also be included. It is not advisable to conduct more focus groups per household segment as the findings already indicate that a level of response saturation has been reached during the two focus group sessions by household segment. Future research could, however, consider scheduling one dedicated focus group per identified advertising media to ensure a more in-depth understanding of consumers' usage behaviour and attitudes toward each type of advertising medium. Lastly, future research could also pertinently explore choice of advertising medium depending on product category or service provided.

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Operations Strategy: A Broader View Of Threading The Vision To The Customer

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ABSTRACT

In today's turbulent business environment, providing services, products, and solutions that meet customer needs and demands is a major challenge for all businesses. To be more competitive, companies are placing greater emphasis on lowering costs, improving quality, and reducing product cycle-time. Many different approaches, frameworks, and models are being used to guide businesses in their endeavors to move to the next level of productivity and excellence. This paper proposes an integrated framework that can assist business executives in evaluating and integrating their organizations in order to improve their operational profile.

Keywords: Operations Strategy; Operations Management; Strategic Management

Operations Management and Strategy have been directly associated with manufacturing, logistics, and supply chain. This paper introduces an Operations Strategy Framework and Assessment tool that can be implemented to assess an organization for effectiveness and efficiency and, more importantly, to thread the organization's vision, objectives, strategies, processes, resources, products, and services to the customer (Brown, Squire, & Lewis, 2010).

OPERATIONAL DIFFERENCES

There are a number of operational differences between a Manufacturing and a Service Delivery organization (Jui-Sheng, Kim, Yao-Chen, & Nai-Chi, 2010). A manufacturing organization builds, assembles, tests, and distributes products with little to no interaction with the end customer or consumer. Examples of manufacturing organizations include automobiles, electronic equipment, and information systems platforms.

Conversely, a Service Delivery organization directly interacts with the end customer or consumer providing a packaged or bundled suite of products and services. Examples of Service Delivery organizations include Healthcare, Information Technology, Help Desk, Service and Support, and Software Development.

Manufacturing Operating Models, Key Functions, and Core Processes

This section describes the more common operating models, and key functions, and outlines some core business processes typically used by manufacturing organizations.

Operating Models

Two common operational models are found in manufacturing organizations. The first is what is referred to as the Classical model. Some of the characteristics of this model include assembly line operations, mass production, raw materials acquisition, and warehousing and

distribution. This model relies heavily on mechanization and automation of processes and equipment operation. The second and more recent model is what is referred to as the Lean model which can be viewed as a more improved model that optimizes people, process, innovation, and technology in a manner that reduces waste and facilitates an environment of high efficiency at the lowest possible costs. This model relies heavily on the use of information technology to support inventory control, production scheduling, and resource management. This increased level of automation, innovation, and tracking is critical to reduce the overhead costs associated with the typical classic manufacturing model.

Key Functions

Some of the key functions that support any manufacturing organization, regardless of the operational model, include purchasing, warehousing, facilities, operations, and engineering. The primary differences between the Classical and the Lean manufacturing models are the amount and extent of automation, streamlining of processes, funds management, and people and technology integration (Cao, 2004).

Core Processes

Some of the more common core processes that support any manufacturing organization, regardless of the operational model, include contracts, proposals, shipping, receiving, storage, inventory, scheduling, assembly, test, inspection, maintenance, facilities, and capacity planning (Ivanov, 2010). Once again, the primary differences between the Classical and Lean manufacturing models are the amount and extent of automation, streamlining of processes, and people and technology integration (Corbett, 2008). In the Lean model, processes are optimized and the use of best practices and innovation are critical in order to achieve high efficiency.

Service Delivery Operating Models, Key Functions, and Core Processes

This section describes the more common operating models, lists some key functions, and outlines some core business processes for a Service Delivery organization.

Operating Models

Two common operational models are found in Service Delivery organizations. The first is what is referred to as the Customer-Centric model. Some of the characteristics of this model include customer-service focused, establishing service levels, and the overall customer experience. This model relies heavily on customer feedback and interaction. In turn, this customer feedback is driven back into the organization in order to improve operations and product offerings. The second is what is referred to as the Project-Based model. This model can be viewed as smaller full-service groups that support a specific program, product, or project. This model relies heavily on cross functional teams and skills and tight integration of people, processes, and technology (Cao, 2004).

Key Functions

Some of the key functions that support any Service Delivery organization (Jui-Sheng et al., 2011), regardless of the operational model include account management, service management, technical support, material management, and operations (Ivanov, 2010). The primary differences between the Customer-Centric and Project-Based models are the Customer-Centric model focuses on customer behavior, feedback, opinion, and assessment as critical driving elements and with the Project-Based model the model operates on a program, product, or project level focused on delivering bundled services and solutions.

Core Processes

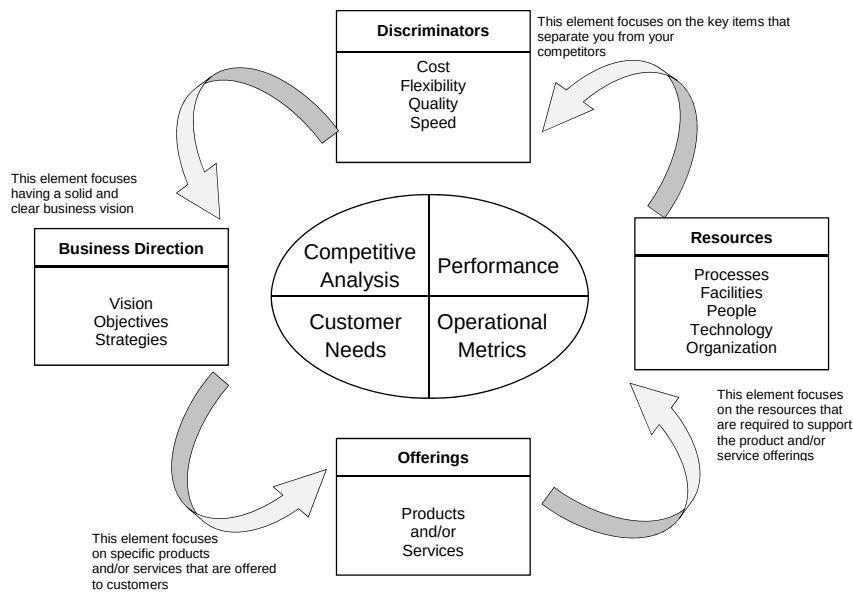
Some of the more common core processes that support any Service Delivery organization, regardless of the operational model, include order fulfillment, repair, returns, maintenance, engineering, planning, shipping, receiving, inventory, implementation, integration, and testing.

Framework

The proposed framework focuses on more of a “functions” centric model. The model is employable whether the entity is a manufacturing or service-oriented organization. Regardless of the type of organization that performs these functions, one or many depending on the size of the.

FIGURE 1
Operations strategy framework

Operations Strategy is the integration and optimization of operational functions and processes with market and customer requirements



organization can still be accomplished successfully. By taking a more functional view, this focus enables the threading of the key areas of the organization. Figure 1 illustrates the Operations Strategy framework.

Business Direction

A solid vision, objectives, and strategies serve as the foundation and blueprint for the organization. The vision, objectives, and strategies must come from the organization. Without these critical elements, the organization does not have an objective or target environment in which it can achieve.

A vision is not a mission statement and it does have an end-point. Objectives are the goals that the organization wants to achieve, and strategies are how the organization will achieve those goals.

Offerings

Offerings are the products and services an organization markets to customers and consumers. Products and services need to be targeted and sometimes tailored to meet customer needs. They can also be bundled or unbundled to provide greater or enhanced value to the market.

Resources

Facilities, people, technology, organization,

and even core processes are used to support the delivery of products and services. Having the correct balance of resources and people with proper training and skills that are leveraging technology and efficient processes are extremely important for an organization to remain effective and efficient.

Discriminators

There are a number of key elements that separate or distinguish an organization from its competitors. Cost, flexibility, quality, application of innovation, and speed are crucial criteria that determine competitive advantage. Discriminators must be carefully analyzed to determine how an organization's competition will respond to market and customer reaction and stimulus (Garrido, 2007).

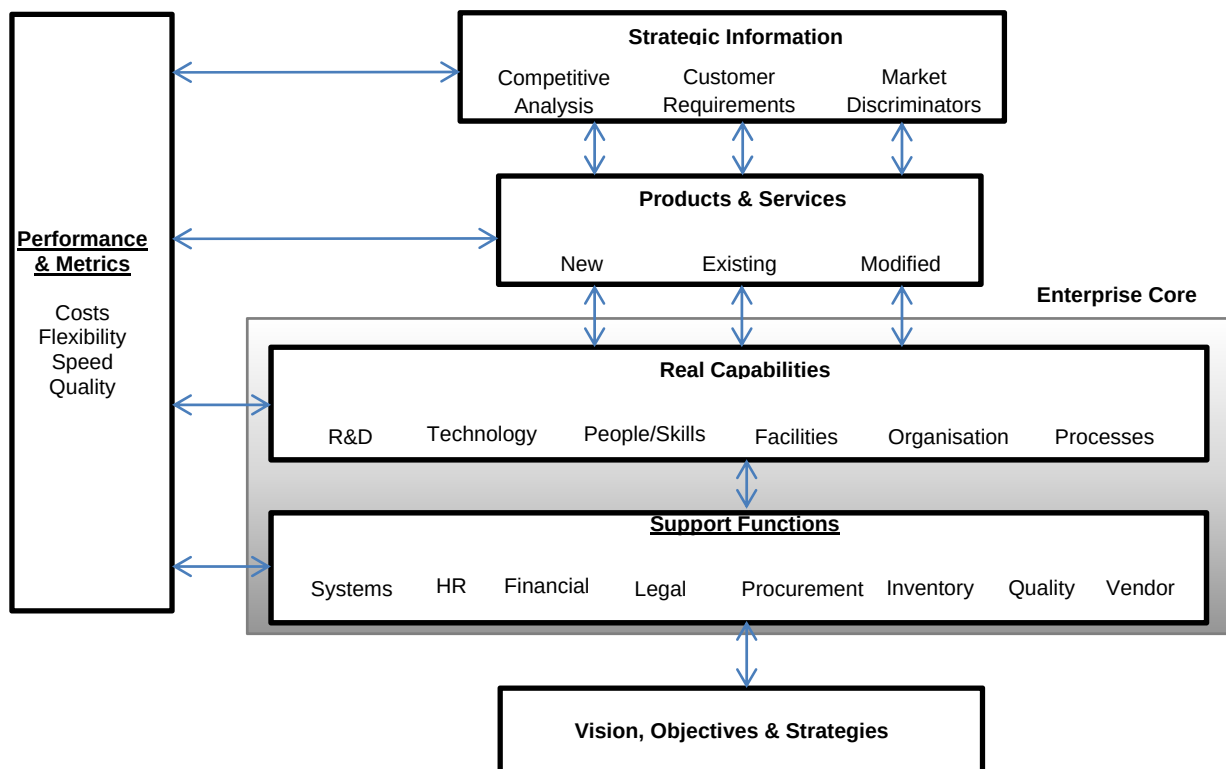
Assessment

The proposed Operations Strategy Tool links the functional areas of the organization to ensure that all functions are threaded throughout the entire organization. It can be used in capturing the current state of the organization as well as a strategic planning tool. Figure 2 illustrates the Operations Strategy Assessment Tool.

Strategic Information

Performing a thorough competitive analysis,

FIGURE 2
Operations strategy assessment tool



assessing the marketplace, and analyzing customer requirements can provide the market discriminators that an organization needs to be competitive in the market (Schniederjans & Cao, 2009). This competitive analysis must be reviewed and updated on a consistent basis in order to observe changes in a competitor's behavior, actions, and product offerings. Customers should be frequently sampled to determine changes in needs and purchasing trends. Performance and metrics should be applied to all strategic information that is gathered. The results of the analyses and metrics will help an organization compare itself to its competitors.

Products and Services

Based on the strategic information and analysis, an organization must assess whether a new, existing, or modified product or service will fill the needs of the customer or consumer. This must be carefully determined and an organization should always look to see if an existing, or even a modified, product or service can be used to fill the marketplace needs. New products should be strategically planned and forecasted only when existing products and services cannot adequately fill

requirements in the marketplace. A longer range planning cycle should be considered when developing new products and services to allow greater development, testing, and introduction time before the product or service is ready to market. Performance and metrics should be used to determine how an organization's products and services meet or exceed customer needs and requirements (Lukas et al., 2013).

Real Capabilities

Research and development, technology, people, skills, facilities, organization structure, and core processes are all leveraged to provide effective and efficient products and services. These functions really serve as the core functions that directly impact the delivery of products and services. The use of performance and metrics is critical in order to determine both economies of scale and scope as well as how efficient an organization delivers products and services.

Support Functions

A number of functions, such as information systems, human resources, finance, legal, procurement, and vendor relations, directly

support the real capabilities in an organization. These are every bit as critical as the real capabilities and must be optimized to support the effective and efficient delivery of products and services. Performance indicators and metrics need to be applied to support functions in a similar manner as real capabilities. Many inefficient and ineffective operations can be hidden in these support-related functional areas and, as a result, increase overall costs can directly impact the delivery of products and services.

Performance and Metrics

Performance and metrics should be implemented and include costs, flexibility, speed, and quality to measure organizational effectiveness, both internally and externally. These metrics can help compare the organization against strategic information about competitors, customer expectations, and how the products and services compare to similar ones in the market. Internal metrics can also determine how effective and efficient an organization's real capabilities and support functions are performing with respect to the market and the product and service it is delivering. More importantly, the proper use of metrics can highlight imbalances and unproductive operations and processes throughout the organization (Lukas, et al., 2013).

Vision, Objectives and Strategies

Business direction is perhaps the most crucial. All of the strategic information, products and services, real capabilities, and support functions should be aligned to support the vision, objectives, and strategies of the organization (Corbett, 2008). Without solid and clear business direction that is cascaded down throughout the entire organization, people, processes and technology will not be aligned to support the effective and efficient delivery of products and services to the customer.

Service Level

Establishing and maintaining service levels is critical to the overall success of a service delivery organization. Defining and implementing a Service Level Agreement (SLA) with a customer can help ensure that specific levels of operational performance are consistently maintained and managed. SLAs

can be used to define system availability, service response times, resource performance, service restoration parameters, and even hours of operation.

Operating Performance

Operating performance is the heart and focus of a solid operations strategy. Business direction, products and services, and resources need to be in alignment in order to perform and operate at a high-level of efficiency. Operating performance can be measured in many ways to include financial, product margins, customer satisfaction, and service quality.

From a financial standpoint, overall performance for a product or service can be measured by using the ratio between profitability and its sales. Another approach is using what is referred to as a Key Performance Indicator (KPI). The use of a KPI measurement system provides a much wider view and can cover a number of other functions and areas, not just the financial aspects of the organization.

Quality

Having a sound quality program is paramount to ensure that processes, products, services, and organizational functions are delivering the best possible value to the customer. Quality must be integrated or threaded throughout the organization. It cannot be a downward directed initiative or used as a short-term fix. In other words, quality must be as normal as performing everyday business operations.

Quality is the responsibility of every employee, not just a specific group within an organization. Companies that embrace quality will find it can often be used as a competitive advantage. Not only will it improve internal operational effectiveness, but it will also lead to higher customer satisfaction. Some organizations treat quality as a program or initiative and eventually do not realize the full benefits it can deliver. Developing a culture of quality will positively impact an organization's products, services, and profitability.

Customer Expectations

If there is one thing that can adversely impact an organization, it is to not effectively manage customer expectations. It is perhaps one of the

most well-known issues, but one that is not often considered in operations strategy. An organization must actively pursue establishing continuous communications with a customer, as well as listen and act upon their input. Many different techniques can be used surveys, polls, score cards, questionnaires, and even discussion groups to keep information and feedback flowing between the customer and provider.

Another aspect of managing customer expectations is to ensure that the organization presents a clear and crisp understanding of the product or service being delivered. Not having a clear understanding of what is being delivered can be detrimental to an organization. It can also result in expending enormous costs to remedy the issue as well as severely reduce customer perception and satisfaction. Having a solid understanding of products and services being delivered, agreements, meeting requirements, and open communications are a few things that will help reduce and even negate confusion and lowered expectations.

Growth

Nearly every organization has a vision and sets goals in order to grow its products and services. However, growth can impact an organization in both a positive and negative manner. Primarily, this is a result of not properly managing growth and allowing it to occur either too slow or at a rapid pace

Allowing growth to occur at a slow rate of speed can impact an organizations ability to deliver timely products and services, as well as to not keep up with market demand. On the other hand, extremely rapid growth can cause both financial and resource instability across the entire organization. Proper and judicious assessment and control, and using a solid set of metrics will greatly enhance the probability of successful and timely expansion. The key to successful and steady growth is balancing, and aligning market needs and customer requirements with the organization's internal operations, processes, and financial profile.

Added Services and Capabilities

Adding additional products and services to an organization's offerings can provide a path for growth and expansion (Olhager, 2012). An

organization must however, have a thorough understanding of its existing products and services. Prior to adding any additional capabilities, an organization must carefully analyze the impact they will have across the entire organization. This includes facilities, people, technology, processes, and organizational structure.

After the decision is made to expand products and services, the initiative should be treated as if it is a major project or initiative. Furthermore, a project management methodology should be applied to continuously monitor, assess, and manage the entire life-cycle process for the product or service. Risks should be identified, a project plan developed, metrics collected and analyzed, and deliverables and milestones carefully managed (Lukas, et al., 2013). Cost and schedule variances, both positive and negative, need to be immediately identified and resolved. The action will ensure the project is on track and the added services and capabilities are being properly integrated throughout the organization

Offshoring

Offshoring and outsourcing are not new concepts. They have been implemented for decades by the electronics and automobile manufacturing market sectors. In order for these concepts to be successful, they must be treated just like making a personal financial investment. Since another or external firm will be relied upon to develop and support a product or service, they must be tightly coupled with the parent organization. In other words, they must be integrated with the parent organization's operations and processes.

Performing a detailed analysis prior to making a decision to offshore production is key as is selecting the right partner, and consummating a solid business agreement will greatly enhance the probability of success. Once the effort is engaged, monitoring the operation needs to be accomplished on a recurring basis not just at the beginning of the effort. Keep in mind that just because the product or service is outsourced or sent offshore, it does not mean the parent organization is resolved from its responsibility of providing a quality product or service for its customers. In fact, the same rigor or expectations an organization would require from its internal functions must be

applied to the supplier organization.

SUMMARY

The proposed Operations Strategy Framework and Tool provide a broader functional view of the organization rather than a detailed process view. The concept is that organizations need to thread the entire organization's focus on the customer; thus, the strategy can be used to ensure that all functions are facing in that direction.

The framework and tool concept also broadens the traditional view of an organization to include an integrated view of the vision, objectives, strategies; people, process, technology; and performance, innovation and productivity. The strategy tool provides an approach that can be used to thread the organization. The tool can also be used to capture the "as-built" state to determine the gaps and inconsistencies throughout the organization. Finally, the tool provides a very top-level operational view of the entire organization which can be invaluable to strategic planning initiatives.

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The relationship between key variables and customer loyalty within the independent financial advisor environment

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ABSTRACT

Research is required to determine the key variables that have a positive relationship with customer loyalty in the independent financial adviser environment. Knowledge of the factors that could assist in fostering customer loyalty might help independent financial advisers firstly in maintaining their client base, and then secondly, to strategise with them over the long term to behave more financially responsible, achieve their saving goals, and become financially independent. Therefore, the primary aim of this article is to explore the relationship between key variables and customer loyalty within the independent financial adviser environment in Gauteng. The population was defined as all the clients of independent financial advisers in the Gauteng region. A convenience non-probability sampling technique was applied and self-administered questionnaires were distributed to the clients in Gauteng who matched the sampling frame. A total of 123 questionnaires were completed and could be used in the analysis. Descriptive and standard multiple regression analysis as well as the one-way analysis of variance (ANOVA) technique was used to analyse the results. Trust and commitment can be viewed as predictors of customer loyalty within the independent financial adviser environment in Gauteng and must form part of the core of the financial adviser's relationship building strategies. It is therefore important for independent financial advisers to ensure that their clients have confidence in their ability to provide sound financial advice. Clients must be convinced that financial advisers have their best interest at heart and as such, should remain committed to their practices.

Keywords: Independent financial advisers, customer loyalty, trust, commitment, supplier image and customer satisfaction

Independent financial advisers play a vital role in assessing their clients' financial needs and providing an objective and holistic solution to assist them in realising their financial goals and dreams. The advisers generally operate a small business and because they are required to give "best advice" when recommending products to clients (UK Association of

Independent Financial Advisers, 2001; Wright, 2008), normally have contractual relationships with a number of financial services providers. These relationships further enable independent financial advisers to recommend quality products and assist their clients in saving more money.

The survival and future of the businesses of independent advisers, however, are constantly under threat due to the many challenges facing the financial services industry in South Africa. Independent financial advisers are subject to the Financial Advisory and Intermediary Services Act (2002), requiring them to adhere to certain fit and proper requirements, before they may be granted a license to operate their businesses (Van Tonder, 2010:3). There are also other trends developing abroad that may impact on the future remuneration structure of the advisers. More specifically, regulators in South Africa have been closely studying the compensation packages of financial advisers in countries such as Australia (Future of Financial Advice), UK (Retail Distribution Review), Holland, India, Singapore and the European Union in order to propose a solution that would be more beneficial to the consumer. Financial advisers in future might not be permitted to earn commission on products that they sell to their clients anymore. Restrictions may also be imposed on performance benefits and advisers receiving ongoing fees might be required to renew their contracts with the clients every two years and provide a detailed statement of services rendered during this period. The Financial Services Board of South Africa is adamant in protecting the interests of the consumer and wishes to ensure that the "Treat Customers Fairly" (TCF) outcomes underway form the primary focus point of any reform (Van Breda, 2013).

Owing to these challenges, Van Breda (2013) warns that the businesses of independent financial advisers will undoubtedly be subjected to more onerous regulation regimes and the advisers might have to incur higher cost to continue with their practices. Ultimately, the survival and growth of the businesses of the advisers will depend on their ability to focus on having a clear business proposition and maintaining a loyal client base (Van Breda, 2013).

To date, however, no formal research study has been conducted on the key variables that could assist in fostering customer loyalty within the independent financial adviser environment. Assessing the relationship between key variables and customer loyalty, however, could provide a valuable source of information to assist independent financial

advisers in maintaining a loyal client base and surviving and growing their businesses over the long-term.

Consequently, the study conducted for this article aims to address the above-mentioned research gap that exists in the independent financial adviser environment in South Africa.

RESEARCH PROBLEM

Many South Africans are caught in a trap of debt and do not save enough money. In fact, the South African household debt to income ratio is close to 79% (The Financial Planning Institute of Southern Africa, 2012). Independent financial advisers could play a valuable role in assisting consumers in the South African environment with their financial needs analysis and to plan more appropriately for the future. However, the businesses of these financial advisers are confronted by many challenges that might threaten their survival.

A variety of network organisations, such as Moonstone, Compliance Consulting and Oracle Compliance, have been established to provide guidance to independent financial advisers in complying with the Financial Advisory and Intermediary Services Act and other matters (MoneyMarketing, 2006:34). While these organisations could provide valuable operational assistance, independent financial advisers operating small businesses, though, will not be able to survive and grow their business sales if they are unable to maintain a loyal client base.

As such, further research is required to determine the key variables that have a positive relationship with customer loyalty in the independent financial adviser environment. Knowledge of the factors that could assist in fostering customer loyalty might help independent financial advisers firstly in maintaining their client base and then secondly, to strategise with them over the long term to behave more financially responsible, achieve their saving goals, and become financially independent.

While there are many factors that could potentially have a relationship with customer loyalty, the combination of the variables

customer satisfaction, trust, commitment and supplier image have never been assessed among independent financial advisers. Each of these variables however is relevant to the type of service provided by financial advisers and requires further investigation. More particularly, Morgan and Hunt (1994:22-23) stipulate that trust and commitment are central to relationship marketing because they encourage marketers to work at preserving relationship investments by cooperating with exchange partners, resisting attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, and viewing potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically. Therefore, when both trust and commitment – not just one or the other – are present, they produce outcomes that promote efficiency, productivity and effectiveness. In short, trust and commitment lead directly to cooperative behaviours that are conducive to relationship marketing success. However, Hoq, Sulatana and Amin (2010:76) as well as Hu, Kandampully and Juwaheer (2009:111) argue that customer satisfaction and supplier image are two additional virtues underpinning customer loyalty. They stipulate that these two virtues have not been explored to the same extent as trust and commitment, but are as important in the establishment and maintenance of long-term relationships with customers.

OBJECTIVES

Emanating from the research problem, the purpose of the survey conducted for this article was to investigate the relationship between key variables and customer loyalty within the independent financial adviser environment in Gauteng. The following secondary objectives were formulated to assist in addressing the primary research objective:

- To determine whether trust, commitment, supplier image and customer satisfaction have a significant positive relationship with customer loyalty within the independent financial adviser environment in Gauteng.
- To establish which one of the four independent variables can be viewed as the best predictor of customer loyalty

within the independent financial adviser environment in Gauteng.

- To determine whether there is a significant difference between the perceptions of the various age groups in Gauteng with respect to the dependent and independent variables.
- To establish whether there is a significant difference between the length of years with the financial adviser and the customers' perceptions of the dependent and independent variables.
- To make recommendations regarding the relationship between the key variables and customer loyalty within the independent financial adviser environment in Gauteng.

HYPOTHESES

The following hypotheses were tested in order to assist in meeting the research objectives:

- **HA₁:** There is a significant positive relationship between the key variables and customer loyalty within the independent financial adviser environment in Gauteng.
- **HA₂:** The variables trust, commitment, supplier image and customer satisfaction all have an equal positive relationship with customer loyalty within the independent financial adviser environment in Gauteng.
- **HA₃:** There is a significant difference between the perceptions of the various age groups in Gauteng with respect to the dependent and independent variables.
- **HA₄:** There is a significant difference between the length of years with the financial adviser and the customers' perceptions of the dependent and independent variables.

THEORETICAL BACKGROUND

Customer Relationship Management (CRM) and loyalty

Chung, Hsu, Tsai, Huang and Tsai (2012: 3) refer to CRM as an operational model that allow organisations to recognise and influence the behaviour of customers, in order to acquire new customers, keep existing customers, increase customer loyalty, and enhance customer benefits. They further perceive CRM as the prediction and response to customer needs through information. Blocker, Flint, Myers & Slater (2011:217) suggest that

responding to the request of customers remains a critical aspect in satisfying customer needs. Qualitative studies have suggested that customers also require organisations to proactively understand and address their latent and future needs as part of an ongoing, value-creating, relational process. Van Vuuren (2011:29) further enhances this argument by stating that CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. The effective implementation of CRM strategies can improve customer loyalty for the organisation. An improvement in customer loyalty has a significant effect on the profitability of the business.

Ndubisi, Wah and Ndubisi (2007: 224) perceive customer loyalty as a deeply held commitment to re-purchase or re-visit a desired product or service in the future, despite the fact that there are situational influences and marketing efforts that have the potential to cause switching behaviour. It has been argued that for loyal buyers, organisations must invest in relationship building and customer intimacy. Building such relationship and intimacy will also culminate in stronger loyalty. Commitment, trust, customer satisfaction and supplier image have been theorised by literature as important variables for understanding the strength of a marketing relationship, and it is useful for the measurement of the likelihood of customer loyalty as well as for predicting future purchase frequency (Kuusik, 2007:11; Du Plessis, 2010:18).

Factors affecting customer loyalty

Customer satisfaction, trust, commitment and supplier image were regarded as relevant factors that could affect customer loyalty.

Trust

In their seminal work on the commitment-trust theory, Morgan and Hunt (1994:23) state that trust exists when one party has confidence in an exchange partner's reliability and integrity. They define trust as "a willingness to rely on an exchange partner in whom one has confidence". A betrayal of this trust (by the organisation or service provider) could lead to defection (Ndubisi, 2006:133). Roberts-Lombard and Du Plessis (2012:62) suggest

that when organisations conduct business in a manner that enhances customer trust, the perceived risk with the specific organisation is lowered. This enables the customer to make confident predictions about the provider's future behaviours. Hartman (2010:42) supports this argument by stating that relationship building must take place from the first meeting between the financial advisor and the customer. It is important for customers to have trust, mutual respect, comfort with advisor recommendations, and agreement on customer goals and the means to reach them. This ensures sound long-term business for the financial brokerage. Hartman (2010) further argues that it is from strong customer relationships that an advisor is most likely to get referrals of new customers.

Van Vuuren (2011:68) stipulates that customers are loyal to an organisation when they have consistently been satisfied, and are then passionately loyal about doing business with the organisation which can always be trusted. This high-trust relationship requires going further than the realm of customer transient and transaction-based feeling of delight, and is regarded as total trust. Velmurugan (2009:153) proposes that trust must be present at all levels for the maintenance of cooperation. In the current turbulent business environment, trust has become a critical factor in customer-organisation relationship in order to facilitate transactions.

Trust is therefore perceived as a critical factor in establishing a relationship with customers, since the latter will attempt to evaluate suppliers' trustworthiness before committing to business transactions (Hartman, 2010:42).

Customers who are willing to trust an organisation expect responsiveness and a swift delivery of service in return. Organisations must focus on simplicity to build trust in the long run. Maintaining trust means listening, valuing communication, acting in an honest manner and learning from stakeholders' observations (Le Coultre, Roberts-Lombard & Van Tonder, 2013:308). Trust is therefore an important construct in relational exchange because relationships characterised by trust are so highly valued that parties will desire to commit themselves to such relationships. To

support this notion, trust has been posited as a major determinant of relationship commitment (Jumaev, Kumar & Hanaysha, 2012:40). This argument is further enhanced by Morgan and Hunt (1994:22) stating that when both trust and commitment are present, they produce outcomes that promote efficiency, productivity and effectiveness.

Commitment

Rauyruen and Miller (2007:24) suggest that the commitment of a customer to the organisation is a very important driver of customer loyalty in service industries. They refer to commitment as “an implicit or explicit pledge of relational continuity between exchange partners”. In simpler terms, commitment refers to the customer being motivated to stay with an organisation. Morgan and Hunt (1994:23) define commitment as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it”. Commitment can also be perceived as a manner of responding to the needs of customers and is therefore a key dimension of being market oriented. Thus, commitment is perceived to be a central expectation or norm within an organisation-customer relationship, and measuring up to this expectation is to drive customer satisfaction (Ndubisi, 2006:133).

According to Du Plessis (2010:20), commitment stems from trust, shared values and the belief that it will be difficult to find partners that can offer the same value. Commitment encourages partners to collaborate in order to preserve the relationship investments (Morgan & Hunt, 1994). Rauyruen and Miller (2007:3) further define commitment as “a psychological sentiment of the mind through which an attitude concerning continuation of a relationship with a business partner is formed”. Jumaev et al., (2012:40) state that a significant relationship exists between commitment and loyalty. They argue that when the commitment of the customer is grounded on shared values and identification, it has a strong influence on customer loyalty. Rezvani, Gilaninia and Mousavian (2011:1548) concur by arguing that loyalty is a “profound commitment to frequent purchasing

or encouraging others to buy products or services”.

According to Ndubisi et al., (2007:225), commitment is a key variable in understanding how strong the relationship between a business and its customers is. It is perceived as a valuable construct for the measurement of customer loyalty and for determining the future buying habits of consumers. Van Vuuren, Roberts-Lombard and Van Tonder (2012:86) suggest that when a customer is committed to a relationship, such customers could be more willing to act due to their need to remain customers who are more committed and who are more willing to develop an overall positive impression of the business. This impression is based on aspects such as the duration of the relationship, inclusive of different transactions, whether positive or negative. These customers are therefore illustrating a greater willingness to remain loyal to the business. Terblanche, Boshoff and Boshoff (2012:33-34) concur by emphasising that customer commitment is a central mediating variable of the relationship between the customer’s evaluation of the performance of a business and the intentions of the customer with regard to the future relationship with the business.

Supplier image

The overall impression made on the minds of the public about a business is referred to as supplier image (Wang, 2010:255). The management of image within a service environment encompasses the communication of brand image perceptions and associations to customers. Such communication occurs through the application of both external and internal marketing principles (Van Vuuren, 2011:20). Hu et al., (2009:113) argue that supplier image has a relevant place within the services marketing realm. The reason being that it refers to the primary perception that the customer has of the business brand and its associations. A customer wants to be associated with a business that supports or enhances its personal image. It is therefore important for the service provider to create an image which will be acceptable to the customer, and to reflect that his interactions with the business support this image which has been created. Fully-bonded loyalty requires that the consumable must be part of the consumer’s self-identity and his or her social

identity. There should be a match between brand personality and the goals and values of the supplier, and these elements affect the image of the supplier (Kuusik, 2007:10).

Hoq et al. (2010:75-76) suggest that image influences customer loyalty and that there is a strong positive relationship between image and loyalty. The latter being the outcome of customer evaluations on the perceived quality received from the business. The higher the evaluations of service and product delivery, the higher the perceived image the customer has of the business (Hoq et al., 2010:76-77). Alwi (2009:4) argues that supplier image is an important antecedent of loyalty, and that loyalty will develop depending on the favourability of supplier image formed. Favourable supplier image is important, not only to improve loyalty, but also to stimulate positive word-of-mouth. Chang and Tu (2005:199) note that supplier image needs to be addressed by a business as it can have both positive and grave consequences if not managed correctly, as customers need to know the supplier and its brands for the right reasons. A direct positive relationship exists between image and behavioural intention. Supplier image serves as an important factor influencing customer loyalty, and a favourable image can stimulate repeat patronage. Furthermore, image is essential to be maintained and improved if existing loyal customers are to stay loyal (Hu et al., 2009:117).

Customer satisfaction

Yoshida and James (2010:339) refer to customer satisfaction as “a customer’s pleasurable, fulfilment response to services provided during interaction and dealing with a business”. They argue that customer satisfaction is not only a criterion to evaluate service quality, but is also a predictor of repeat patronage. Kuusik (2007:9) concurs by stating that there is a direct relationship between satisfaction and loyalty. He stipulates that customers who are satisfied become loyal to the business, whilst dissatisfied customers will turn to another provider. Du Plessis (2010:24) argues that when customer needs are met during the buying process, they are more likely to return to the business and make repeat purchases. They will also then spread positive

word-of-mouth about the business to family and friends.

Customer satisfaction results when customer expectations are met or exceeded in a specific transaction (Olajide & Israel, 2012:228). To differentiate one business from another, customer satisfaction has become a primary strategic consideration of different businesses (Nazari, Divkolaei & Sorkhi, 2012: 236). Customer satisfaction is a personal estimation that is deeply influenced by customer expectations regarding the service. In business, it is a tactic of making money (Abbasi, Khalid, Azam & Riaz, 2010:97). Studies by Hasan, Raheen and Subhani (2011:512) reveal that customer satisfaction can be used as one of the indicators of organisational health and wealth. Özkan, Akman and Özcan (2010: 288) propose that the most important factor for customer satisfaction is supplier performance and in their studies, projected supplier performance as all-encompassing of technical capability (know-how), delivery (ability to deliver on time), conformance to quality (high quality products), service (customer relationships and handling of customer complaints), flexibility (adaption of supplier to customer wants and expectations), competitive pricing (convenient price as compared to competitors) and innovation (solving customer problems in a satisfactory level). An organisation can satisfy its customers if it has a good system for listening to its customer. Only when an organisation knows its customers’ opinion can it determine which aspects of the service they are dissatisfied with, and thus work to improve them (Alvarez, Casielles & Martin, 2011:156).

METHODOLOGY

In the empirical part of the study, the researchers made use of an exploratory research design that was quantitative in nature. The population was defined as all the clients of independent financial advisers in the Gauteng region. The Gauteng region was selected given the fact that an exploratory study was conducted and the region contributes 34.7% to the country’s national economy and 10% to the Gross Domestic Product (GDP) of the African continent as a whole (SouthAfrica.info, 2014; StatsSA, 2014). In addition, considering the National Consumer

Financial Education Strategy of the Department of National Treasury, it also appeared that consumers in the Gauteng region have had considerable exposure to the financial services industry, because they require less training than most of the other provinces in South Africa on the management of their funds, financial planning, financial product decisions and the different types of savings, investment and insurance products (Department of National Treasury, 2013:7). The sample of the study was then described as all clients who had purchased a financial services product from their independent financial advisers in the past ten years. A ten-year period was regarded as reasonable, considering the fact that financial services products are purchased on an infrequent basis. In the absence of a complete list of the population and due to budget constraints, the researchers followed a non-probability sampling approach and applied the convenience sampling technique. Clients in Gauteng who matched the sampling frame were requested to participate in the survey and complete a self-administered questionnaire. The questionnaire was based on surveys that were previously fielded and validated by Du Plessis (2010) as well as Van Vuuren (2011) in similar types of studies among respondents in the insurance and optometric industries. The respondents were requested to answer a series of structured, closed-ended questions that were based on a five-point Likert scale (where 1 is “strongly disagree” and 5 is “strongly agree”). The phrasing of some of the statements was slightly modified to ensure they assess the respondents’ perceptions regarding their independent financial advisers in the insurance industry. However, careful consideration was given to ensure that our study would still assess the same aspects that Du Plessis (2010) and Van Vuuren (2011) initially investigated in their studies. The questionnaire consisted of five sections. Section A of the questionnaire obtained the demographic profiles of the respondents. Section B measured the respondents’ customer satisfaction towards their independent financial advisers, Section C was concerned about how the respondents perceive the image of their financial advisers’ practices, Section D focussed on the respondents’ commitment towards the practice of the financial adviser, and Section E assessed the respondents’ loyalty towards their

independent financial advisers. The questionnaire was pretested in a pilot study involving 15 clients who had purchased a financial product from an independent financial adviser and who matched the sampling frame.

A total of 123 questionnaires were completed and could be used to analyse the respondents’ perceptions towards their independent financial advisers. After the data had been coded, captured and edited, SPSS version 18 was used to analyse the results. Cronbach alpha was used to assess the reliability of the scales that were used in the questionnaire. The validity of the survey was warranted by ensuring that the content of the questionnaire was aligned to the research objectives of the study and measured what the study intended to measure. Descriptive and standard multiple regression analysis were used to analyse the results and determine if the four independent variables have a positive relationship with customer loyalty within the independent financial adviser environment. The one-way analysis of variance (ANOVA) was also calculated to determine whether significant differences exist between the perceptions of the various age groups who participated in the survey, as well as between the perceptions of the respondents who had only been with their financial services provider for a short while and the groups who had done business with their financial services providers for many years.

RESULTS

Demographic profile of respondents

Of the 123 respondents who participated in the study, 53.7% are males and an almost equal amount of the respondents are females (46.3%). The majority of the respondents who completed the survey can further be classified into the white racial group (71.5%), followed by the African group (11.4%) and Indian/Asian group (11.4%), and lastly the coloured group (5.7%). Most of the respondents are married (65.9%), followed by the single group (19.5%), the divorced group (8.9%) and the widowed group (5.7%).

The majority of respondents fell between the age group 36-47 years (37%), followed by the

age groups 18-35 years (32%), 48-66 years (27%), 67-82 years (3%) and above 82 years (1%). Furthermore, the age groups 18-35 years and 36-47 years can approximately be divided into one third each and together with the age group 48-66 years, represent the majority of respondents who participated in the study. The majority of the respondents who completed the survey are younger than 67 years of age. The majority of responses were for the income bracket of "More than R30 000 per month" received the most responses (42%), followed by the income bracket R10 001-R15 000 (15%).

Most of the respondents have been with their independent financial adviser's practice between 2-5 years (38.2%), followed by 0-2 years (32.5%), 5-10 years (16.3%) and more than 10 years (13%). Consequently, less than one third of the respondents (29.3%) have been with their financial adviser for longer than five years.

Life insurance policies were the products bought most from independent financial advisers in the past ten years (68.3%), followed then by retirement annuity policies (30.9%), medical aid (17.9%), other investment products, such as endowment policies, unit trusts and shares (16.3%), short-term insurance policies (13.8%) and other products (3.3%).

Reliability

The Cronbach alpha technique was applied to assess the reliability of the four measurement scales that were used in the study. According to Pallant (2010:97), a Cronbach alpha value of at least 0.7 can be regarded as an acceptable level of reliability. The reliability statistics for this study are reflected in Table 1, which indicates that all the measurement sets are in fact reliable, as they all are above the minimum level of 0.7.

The relationship between key variables and customer loyalty

Concerning the first research objective, standard multiple regression analysis was used to explain the relationship between the independent variables trust, commitment,

supplier image and customer satisfaction and the dependent variable customer loyalty.

TABLE 1
Reliability statistics

Constructs	Cronbach's Alpha
Trust	0.952
Commitment	0.932
Customer loyalty	0.971
Customer satisfaction	0.932
Supplier image	0.891

A number of preliminary analyses were conducted to ensure no violations of the underlying assumptions for performing the standard multiple regression analysis technique. Firstly, the sample size of 123 respondents was regarded as adequate, given the fact that it is greater than the required minimum sample size of $50 + 8(\text{number of independent variables})$, as suggested by Tabachnick and Fidell (2007:123). Secondly, no evidence of multicollinearity was found. The Tolerance Value calculated for each variable was not less than 0.1 and the Variance Inflation Factor values calculated were not close to 10. All values fell within the parameters as suggested by Pallant (2010:158). Thirdly, the first and second values on the five-point Likert scale (strongly disagree and disagree options) were combined to eliminate the effect of the few outliers that were detected. Fourthly, the residual scatterplots showed that the data was normally distributed and linear in nature. In addition, the distribution of the findings can be regarded as normal if they display a skewness of less than an absolute value of 2.00, and a kurtosis of the distribution of less than 7.00 (West, Finch & Curran, 1995). All the scale items that were used for the survey could be categorised within these boundaries. Consequently, based on this analysis and the fact that the sample surveyed is relatively large ($n = 123$), the researchers were able to apply the standard multiple regression analysis technique to test the first hypothesis formulated for this study.

In the first step of the analysis, the Pearson product moment correlation was employed to test the associations between the independent

TABLE 2
Correlations between independent and dependent variables

Factors	Factor 1 Trust	Factor 2 Commitment	Factor 3 Customer satisfaction	Factor 4 Supplier image	Customer loyalty
Factor 1	1	0.890**	0.878**	0.709**	0.862**
Factor 2	0.890**	1	0.828**	0.676**	0.876**
Factor 3	0.878**	0.828**	1	0.666**	0.819**
Factor 4	0.709**	0.676**	0.666**	1	0.670**
Customer loyalty	0.862**	0.876**	0.819**	0.670**	1

** . Correlation is significant at the 0.1 level (2-tailed).

and the dependent variables. The results are displayed in Table 2. The correlation matrix (Table 2) shows that all the variables are significantly correlated, at the $p < 0.01$ level, thereby indicating that there is a statistically significant positive relationship among the variables that were investigated.

In the second step of the analysis, the researchers aimed to determine the amount of variance in customer loyalty that can be explained by the four independent variables. The results of the regression model are displayed in Table 3.

TABLE 3
Regression model

Dependent variable: Customer loyalty			
Independent variables (Predictors)	Beta	T	Sig.
Factor 1: Trust	0.249	2.290	0.024
Factor 2: Commitment	0.473	5.189	0.000
Factor 3: Customer satisfaction	0.167	1.925	0.057
Factor 4: Supplier image	0.063	1.086	0.280
F (4,118)=124.188 Sig=0.000 R²=0.808 Adjusted R²=0.802			

The researchers relied on a 95% level of confidence in the analysis of the results, therefore a p-value of less than or equal to 0.05 implied that it is highly unlikely that the results are due to chance alone, according to the Independent Sample t-test. The independent variables explained approximately 81% ($R^2=0.808$) of the variance in customer loyalty. Although the regression model was significant at $p < 0.000$, it further

appears that only the variables trust and commitment can truly be viewed as predictors of customer loyalty. Table 3 indicates that trust has a statistically significant positive relationship with the dependent variable customer loyalty at $p = 0.024$. One unit increase in trust will increase customer loyalty by 24.9% when considering Beta. Table 3 further indicates that commitment also has a statistically significant positive relationship with the dependent variable customer loyalty at $p = 0.000$. One unit increase in commitment will increase customer loyalty by 47.3% when considering Beta.

The p-values for customer satisfaction and supplier image were greater than 0.05 and these variables could subsequently not be included in the multiple regression analysis model. The variables customer satisfaction and supplier image are therefore not instrumental in fostering loyalty among the clients of independent financial advisers.

Finally, given the findings discussed, it can be concluded that hypothesis 1 which states that there is a significant positive relationship between all the key variables and customer loyalty within the independent financial adviser environment in Gauteng can only be partially accepted. This also applies to the second research objective and hypothesis aimed at testing whether all four independent variables have an equal positive relationship with customer loyalty within the independent financial adviser environment in Gauteng. Based on the results displayed in Table 3, this hypothesis too can only be partially accepted. The Beta values indicated that commitment

has the strongest relationship with customer loyalty ($\beta=0.473$), followed by the variable trust ($\beta=0.249$) that has the second strongest relationship with customer loyalty.

Significant differences between the perceptions of the respondents

Significant differences between the perceptions of the various age groups

The third research objective formulated for the study was to determine whether there is a significant difference between the perceptions of the various age groups in Gauteng with respect to the dependent and independent variables. The one-way analysis of variance technique (ANOVA) was applied to assist with the investigation. To accommodate age groups with small sample sizes, all respondents 48 years and older were regrouped into one category. Subsequently, the three different age groups that were investigated included 18-35 years, 36-47 years and 48 years and older.

The preliminary analysis again showed that the study adhered to all the underlying assumptions required to perform the ANOVA evaluation. The observations obtained for the study are independent of each other, the data is normally distributed and the sample size is larger than 30 respondents. Levene's statistics was performed to test for homogeneity of variance. Table 4 shows that the p-value for all the variables (except commitment) is above

0.05, thereby indicating homogeneity of variance in most instances.

The ANOVA results in Table 4 further indicate that there are statistical significant differences at the $p<0.05$ level between the perceptions of the three different groups, with regard to all the variables investigated. Because the variable commitment did not pass the test of homogeneity of variance, the researchers decided to apply the Robust Test of Equality of Means as well to verify the existence of differences in perceptions between the three different age groups. The results are displayed in the last two columns of Table 4 and confirm at the $p<0.05$ level, that there are in fact differences between the perceptions of the three groups, with regard to all the variables investigated.

Hochberg's test was then applied to determine exactly where the differences between the perceptions of the three age groups exist, with regard to the variables trust, customer satisfaction, supplier image and customer loyalty. The test was regarded as suitable, given the fact that the data obtained for these variables passed Levene's test for homogeneity of variance and the number of respondents in each age group investigated was not equal. The results indicated that significant differences in perceptions could only be found between the age groups 36-47 years and 48 years and older, with regard to

TABLE 4
Test of homogeneity of variance, ANOVA and Robust Tests of Equality of Means, based on different age groups

Measurement set	Test of Homogeneity of Variances ($p>0.05$)				ANOVA ($p<0.05$)		Robust Tests of Equality of Means ($p<0.05$)	
	Levene statistics	df1	df2	Sig.	F	Sig.	Brown- Forsythe statistics	Sig.
Trust (all 9 items)	1.668	2	119	0.193	7.432	0.001	7.623	0.001
Commitment (all 6 items)	3.589	2	119	0.031	5.902	0.004	6.092	0.003
Customer satisfaction (all 8 items)	1.890	2	119	0.156	4.456	0.014	4.549	0.013
Supplier image (all 5 items)	0.061	2	119	0.941	5.033	0.008	5.115	0.007
Customer loyalty (all 7 items)	0.379	2	119	0.685	3.755	0.026	3.788	0.025

the variables customer satisfaction ($p=0.01$), trust ($p=0.01$), supplier image ($p=0.007$) and customer loyalty ($p=0.021$). Concerning the variable commitment, the Dunnett T3 test was applied and significant differences were also only found between the perceptions of the age groups 36-47 years and 48 years and older ($p=0.004$).

The effect sizes calculated, using eta-squared for each of the variables, was respectively 0.07 (customer satisfaction), 0.11 (trust), 0.078 (supplier image), 0.059 (customer loyalty) and 0.09 (commitment). Considering these results and the guidelines provided by the University of Strathclyde (2014), the actual difference in mean scores between the groups was relatively small with respect to the variables commitment, customer satisfaction, supplier image and customer loyalty, and modest with respect to the variable trust. Consequently, following the above discussion, the third research hypothesis that was formulated for the study, namely that there is a significant difference between the perceptions of the various age groups in Gauteng with respect to the dependent and independent variables, can only be partially accepted. Significant differences were only found between the perceptions of the age groups 36-47 years and 48 years and older.

Significant difference between length of years with financial adviser and the customers' perceptions

The fourth research objective formulated for the study was to establish whether there is a significant difference between the length of years with the financial adviser and the customers' perceptions of the dependent and independent variables.

The one-way analysis of variance technique (ANOVA) was also applied to assist with this investigation. The four different groups that were investigated included 0-2 years, 2-5 years, 5-10 years and more than 10 years with the financial adviser. The preliminary analysis again showed that the study adhered to all the underlying assumptions required to perform the ANOVA evaluation. The observations obtained for the study are independent of each other, the data is normally distributed and the sample size is larger than 30 respondents. Levene's statistics was performed to test for homogeneity of variance. Table 5 shows that the p-value for all the variables (except commitment and customer satisfaction) is above 0.05. The p-value for customer satisfaction (0.049), however, is very close to 0.05, thereby indicating homogeneity of variance in most instances.

The ANOVA results in Table 5 further indicate that there are statistical significant differences at the $p<0.05$ level between the perceptions of the four different groups, with regard to all the variables investigated. Because the variables commitment and customer satisfaction did not pass the test of

Table 5
Test of homogeneity of variance, ANOVA and Robust Tests of Equality of Means, based on length of years with financial adviser

Measurement set	Test of Homogeneity of Variances ($p>0.05$)				ANOVA ($p<0.05$)		Robust Tests of Equality of Means ($p<0.05$)	
	Levene statistics	df1	df2	Sig.	F	Sig.	Brown-Forsythe statistics	Sig.
Trust (all 9 items)	1.159	3	119	0.328	5.951	0.001	6.827	0.000
Commitment (all 6 items)	3.068	3	119	0.031	4.447	0.005	5.426	0.002
Customer satisfaction (all 8 items)	2.700	3	119	0.049	4.243	0.007	5.002	0.003
Supplier image (all 5 items)	0.619	3	119	0.604	3.352	0.021	3.743	0.014
Customer loyalty (all 7 items)	1.670	3	119	0.177	4.938	0.003	5.618	0.001

homogeneity of variance, the researchers decided to apply the Robust Test of Equality of Means as well, to verify the existence of differences in perceptions between the four different groups. The results are displayed in the last two columns of Table 5 and confirm at the $p < 0.05$ level that there are in fact differences between the perceptions of the four groups, with regard to all the variables investigated.

Hochberg's test was then applied to determine exactly where the differences between the perceptions of the four groups exist with regard to the variables trust, supplier image and customer loyalty. The test was regarded as suitable, given the fact that the data obtained for these variables passed Levene's test for homogeneity of variance and the number of respondents in each age group investigated was not equal. The results indicated that significant differences in perceptions could be found between the respondents who had been with their financial advisers between 0-2 years and more than 10 years, with regard to the variables trust ($p = 0.002$), supplier image ($p = 0.020$) and customer loyalty ($p = 0.004$). Similarly, significant differences were found between the respondents who have been with their financial advisers 2-5 years and more than 10 years with regard to the variables trust ($p = 0.004$) and customer loyalty ($p = 0.019$). Concerning the variables commitment and customer satisfaction, the Dunnett T3 test was applied. With regard to customer satisfaction, significant differences were found between the customers who have done business with their financial advisers between 0-2 years and more than 10 years ($p = 0.005$) as well as between 2-5 years and more than 10 years ($p = 0.003$). Concerning the variable commitment, significant differences were also found between the customers who have done business with their financial advisers between 0-2 years ($p = 0.001$) and more than 10 years, as well as between 2-5 years and more than 10 years ($p = 0.001$).

The effect size calculated, using eta-squared for each of the variables was respectively 0.097 (customer satisfaction), 0.130 (trust), 0.078 (supplier image), 0.111 (customer loyalty) and 0.101 (commitment). Considering these results and the guidelines

provided by the University of Strathclyde (2014), the actual difference in mean scores between the groups was relatively small with respect to the variables supplier image and customer satisfaction, and modest with respect to the variables trust, customer loyalty and commitment.

Consequently, following the above discussion, the fourth research hypothesis that was formulated for the study, namely that there is a significant difference between the length of years with the financial adviser and the customers' perceptions of the dependent and independent variables, can also only be partially accepted. The researchers could not find significant differences between the perceptions of all the groups that were investigated.

DISCUSSION

Following the findings of the study, a number of observations can be made:

Firstly, the literature review established that in the current turbulent business environment, trust has become a critical factor in customer-organisation relationships in order to facilitate transactions. It was also highlighted that commitment is a key variable in understanding how strong the relationship between a business and its customers is. It is perceived as a valuable construct for the measurement of customer loyalty and for determining the future buying habits of consumers.

The regression model in the empirical part of the study then revealed that only these two factors, trust ($\beta = 0.249$; $t = 2.290$; $p = 0.024$) and commitment ($\beta = 0.473$; $t = 5.189$; $p = 0.000$), were statistically significant. Consequently, it seems that in the context of this study, only trust and commitment can be viewed as predictors of customer loyalty within the independent financial adviser environment in Gauteng and they must form part of the core of the financial adviser's relationship building strategies. From a broader perspective, it can further be reported that the significant relationship between these two independent variables and customer loyalty is in line with previous empirical studies that were conducted within the South African services environment (Du Plessis,

2010; Van Vuuren et al., 2012 & Le Coultre et al., 2013). The findings therefore confirm the importance for service providers wishing to focus on retaining a loyal client base, to win the trust and commitment of their customers.

The second observation that can be made is that the variables trust and commitment do not have an equal positive relationship with customer loyalty. It was determined that commitment has the strongest relationship with customer loyalty ($\beta=0.473$), followed by the variable trust ($\beta=0.249$) that has the second strongest relationship with customer loyalty. In principle, it thus seems that independent financial advisers would need to primarily focus on ensuring their customers are committed to their practices. However, this approach would be too simplistic and it would not be feasible for financial advisers to manage the variables trust and commitment as two separate entities. The literature review has shown that trust is perceived as a critical factor in establishing a relationship with customers. The customer will attempt to evaluate the supplier's trustworthiness before committing to business transactions. In addition, the literature review also stated that when both trust and commitment are present, they produce outcomes that promote efficiency, productivity and effectiveness.

Consequently, considering the literature review and empirical findings, it seems that independent financial advisers would rather first need to focus on winning the trust of their customers. Once this task has been accomplished, independent financial advisers would need to design and implement effective relationship building strategies that will predominantly assist in ensuring their customers remain committed to their practices.

The third observation that can be made from the research findings is that independent financial advisers would need to consider different relationship building strategies for customers in the age groups 36-47 years and 48 years and older, since it was determined that there is a statistical significant difference between the perceptions of these two groups. Similarly, there was also a statistical significant difference between the perceptions of customers who have only been with the financial advisers for a short period of time,

and customers who have conducted business with their financial advisers for many years. Different relationship building strategies would also need to be designed to address the needs of these groups.

MANAGERIAL IMPLICATIONS

Since Morgan and Hunt (1994:23) presented their seminal work on trust and commitment, a large number of empirical studies have been conducted over the past two decades, aiming to provide more insight into the factors that have a strong relationship with customer loyalty. Not any of the research studies formally presented, however, have recommended strategies that independent financial advisers in the Gauteng environment could implement to create more loyalty among their clients. Guidelines of this nature are critical, given the fact that previous studies performed in the South African services environment confirmed the importance of winning the trust and commitment of customers in order to retain a loyal client base. In addition, according to the South African Savings Institute (2014), there is a great need for the population of this country to save more money. Independent financial advisers who have mastered the skill of winning the trust and commitment of their clients, would be able to provide a valuable service in assisting the citizens of this country with their financial planning.

As such, the researchers have identified the following broad guidelines that independent financial advisers could follow to assist them in ensuring their clients will trust them and will be committed to their practices. The discussion of these guidelines will aid in meeting the final research objective formulated for the study.

Guidelines for winning the trust of customers

Guideline 1: It is important for independent financial advisers to ensure their clients have confidence in their ability to provide sound financial advice. Clients should be able to trust the financial needs analysis conducted by their advisers, and believe that the financial products they recommend are the best options for their specific circumstances. To accomplish this objective, independent

financial advisers would first need to ensure that they have the required knowledge and technical skills needed to conduct a financial needs analysis for a client and provide sound advice. A number of Higher Education Institutions in South Africa offer training courses on personal financial planning that could assist the financial advisers in acquiring the relevant knowledge required. Independent financial advisers would secondly need to ensure that their clients are aware of their financial planning qualifications as well as the experience they have in providing sound financial advice. Certificates of qualifications obtained could be hung on the office wall, evidence that the Financial Services Board declared their businesses as “Fit and Proper” and granted them a licence, should be communicated and clients could also be provided with testimonials from other clients, recommending the services of the financial adviser. A third strategy could be to ensure that good services are consistently provided, promises made are kept, and the independent financial adviser acts in a professional manner at all times.

Guideline 2: Independent financial advisers would further need to demonstrate that they are genuinely concerned about their clients’ financial needs and convince them that they are a financial services professional and not purely a sales representative wishing to sell an insurance policy to obtain commission. Clients must be convinced that the financial adviser has their best interest at heart and is concerned about the management of their financial needs. To accomplish this objective, independent financial advisers would need to ensure that they listen to their clients when they speak, know exactly what their expectations are, and ensure every effort is made to meet and exceed these expectations. The adviser must be aware of their clients’ current financial situations and have a good understanding of their financial goals and dreams and the path required to meet these objectives. Independent financial advisers would further need to ensure they treat their clients with respect. Clients must be convinced that the financial adviser values the relationship and as such can be trusted. A contentious effort must be made to honour commitments with clients, respond to queries in a timely manner, ensure deadlines are kept

at all instances, and to always tell the truth about the client’s financial situation.

Once the financial advisers have gained the trust of their clients, they would need to focus on designing and implementing effective relationship building strategies that will predominantly assist in ensuring their customers remain committed to their practices.

Guidelines for obtaining customer commitment

Guideline 1: Clients must be convinced that it would be to their benefit to conduct business with the practice of the independent financial adviser. The value they receive from the services provided by the financial adviser must be greater than the value they would have received from financial services provided elsewhere. Independent financial advisers would need to influence their clients in believing that the quality of service provided by the practice is unique and would be difficult to find at another practice. To accomplish this task, independent financial advisers would need to first conduct research to gain more insight into the practices of their competitors, and establish the specific factors or service encounters that are unique to their own businesses and that will convince their clients to remain committed to them. The unique service characteristics identified would then need to form part of the financial adviser’s brand and should be communicated to all current and potential clients. Clients should understand that if they wish to leave the practice of the financial adviser, they might have to incur high switching cost, due to the unique benefits that the financial service provider is able to offer.

Guideline 2: Independent financial advisers would also need to convince their clients that they have their best interest at heart and as such, the clients should remain committed to their practices. Clients should believe that the financial adviser does not simply have opportunistic intentions, but genuinely cares about their financial well-being and shares the same values they might have. To accomplish this objective, independent financial advisers would need to demonstrate that they are flexible in serving the needs of their clients and must convince them that they are

important to their practices. Meaningful information must be shared in a timely manner. Existing clients should be contacted at least once a year to assess whether their financial situation or dreams have changed, and whether there are certain adjustments that would need to be made to their current financial plan. Financial advisers would need to demonstrate that they have empathy with the clients' financial situation and should ensure that all concerns are appropriately addressed.

LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

The present study provided valuable information regarding the factors that have a strong relationship with customer loyalty within the independent financial adviser environment in Gauteng. The empirical findings, however, should be considered within the context of some limitations to the study:

Firstly, due to the absence of a sample frame, a convenience sampling technique was applied to conduct the survey. The findings of the study are therefore not representative of the entire population of clients in the Gauteng region and cannot be generalised to all the clients of all the independent financial advisers in the Gauteng region. Secondly, an error of sampling bias might have occurred due to the fact that the non-probability convenience sampling technique was applied.

Subsequently, a future research study could be conducted on a broader scale that might provide more insight into the key factors (as identified in this study) that can be associated with the customer loyalty of independent financial advisers, within the Gauteng region, as well as the rest of South Africa. A robust statistical tool, such as structural equation modelling (SEM) can be applied, or a longitudinal research study could be conducted to determine the relationship between the independent variables and the dependent variable over a period of time. Additional factors could also be further explored to determine whether they can be associated with the loyalty customers have towards their independent financial advisers. A mixed-method approach that will include both

quantitative and qualitative research techniques could be considered to refine the results. The measurement instrument that was used in this study could further be applied to other services industries that have not yet been explored in the South African environment to determine if the key variables investigated in this study would have a relationship with customer loyalty in the alternative services industry. Finally, it would also be interesting to determine whether it would be possible to build a regression model with the independent variables trust, commitment, supplier image and customer satisfaction and the dependent variable customer loyalty within the business-to-business environment in South Africa.

CONCLUSIONS

It is essential for independent financial advisers to maintain a loyal client base to survive in a turbulent financial services environment, thereby continuously assisting consumers in South Africa with their financial planning over the long term and assist them to behave more financially responsible. To accomplish this task, independent financial advisers, however, would need to focus on the factors that could assist them in fostering loyal clients. As such the study conducted for this article further explored the relationship between key variables and customer loyalty in the independent financial adviser environment.

Following the empirical findings, it seems that independent financial advisers would need to focus predominantly on trust and commitment to assist them in winning the loyalty of their clients. Independent financial advisers would first need to focus on winning the trust of their customers. Once this task has been accomplished, independent financial advisers would need to design and implement effective relationship building strategies that will assist in ensuring their customers remain committed to their practices. Independent financial advisers would further need to consider different relationship building strategies for customers in the age groups 36-47 years and 48 years and older, since it was determined that there is a statistical significant difference between the perceptions of these two groups. Similarly, there was also a statistical significant difference between the perceptions of customers who have only been with the

financial advisers for a short period of time, and customers who have conducted business with their financial advisers for many years. Different relationship building strategies would also need to be designed to address the needs of these groups.

Ultimately, the contribution of this article is to provide guidelines to independent financial advisers for maintaining a loyal client base. The implementation of these initiatives could result in independent financial advisers being able to strategise with their clients over the long term to behave more financially responsible, achieve their saving goals, and become financially independent.

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Salesperson-sales manager social interaction and communication quality: The impact on salesperson cooperation

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ABSTRACT

To get the highest level of performance out of salespeople, companies are searching internally to identify factors that lead to salesperson cooperation. Sales managers create a normative culture that engages the salesperson, which is demonstrated through communication and social interaction. A salesperson who feels connected to the organization is more likely to exert additional effort, such as cooperating with the manager to meet sales objections. The purpose of this paper is to investigate the impact of the salesperson's social interaction and communication quality with their sales manager on their willingness to cooperate with the manager. The results show that when salespeople interact with their manager in a social setting and discuss non-work related information, salespeople become more willing to cooperate with their manager. Sales manager's communication quality was not found to have a significant relationship between the salesperson's willingness to cooperate with the sales manager. Instead, we find that sales manager's communication quality with the salesperson significantly moderates the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager.

Keywords: Salesperson-Sales Manager Interaction; Social Interaction; Communication Quality; Salesperson Cooperation

To get the highest level of performance out of salespeople, companies are searching internally to identify factors that lead to salesperson cooperation. When doing their jobs, salespeople have different levels of motivation, which is often a direct result of different levels of engagement between the salesperson, the sales manager, and the organization. An engaged employee is someone who is involved and enthusiastic about the work, cares about the future of the company, and is willing to invest effort to help

the organization succeed (e.g., Seijts & Crim, 2006, p. 1). However, Drueger and Killham (2006) discovered that not all employees are fully engaged with their company and only 29% of all employees are engaged with their jobs.

Employers have realized the importance of salesperson engagement and are taking steps to facilitate their engagement. The intended consequence of salesperson engagement is cooperation and commitment to achieving

organizational success. Sales managers create a normative culture that engages the salesperson, which is demonstrated through communication and social interaction. A salesperson who feels connected to the organization would then be more likely to exert additional effort, such as cooperating with the manager to meet sales objections. The purpose of this study is to investigate the impact of the salesperson's social interaction and communication quality with their sales manager on their willingness to cooperate with the manager.

LITERATURE REVIEW

Willingness to cooperate

Cooperation is defined as the combination of parts to achieve effective and harmonious results as a whole (Thompson, 1967). In a general organizational situation, this implies that cooperation involves people working together, agreeing upon a plan, working synergistically to achieve the plan, helping each other, and working together for the common good of the group rather than for oneself. In the sales context, it refers to the joint efforts between sales managers and salespeople to achieve goals successfully (Cannon & Perreault, 1999; Lages et al., 2008). Within the sales organization, cooperation involves the combination of individual activities by different people to achieve effective results (Thompson, 1967). Cooperative behaviors are constructed through social interactions between organization members, which are implemented through the working relationships in the business environment. These behaviors are continually shaped and restructured by the actions and perspectives of the individuals involved (Ring & Van de Ven, 1994).

Social Interaction

Social interaction is defined as the salespersons interaction with the sales manager during and after work hours (Doney & Cannon, 1997). Social interaction with the sales manager also gives the salesperson a chance to "court" the sales manager (Doney & Cannon, 1997). The benefits of employee social interaction have always been stressed, but little empirical attention has been given to this concept (Balkundi & Harrison, 2006; Borgatti & Foster, 2003). Healthy social

interaction between employees and supervisors foster work environments that encourage employees to develop better problem solving skills, knowledge acquisition, and trustworthiness (Jacques & Walkowiak, 2009; Connelly & Kelloway, 2003).

Social support is critical for motivational work characteristics (Ryan & Deci, 2001). Frequent interaction between workers and supervisors builds emotional support and friendships, which enhances strong cooperation among the two groups. Sales managers can cultivate a social environment by encouraging more team work among salespeople and by providing more opportunities for salespeople to "bond" outside the work environment. Creating social events for salespeople outside of work helps develop bonds and relationships that would not have been otherwise developed in the work place. The social gathering contributes to the salesperson's personal and professional development because when united in an informal social setting the topic of their conversation is oftentimes work-related (Connelly & Kelloway, 2003). Opening a line of communication through informal interaction settings is beneficial for knowledge sharing and knowledge use (Kelloway & Barling, 2000). This leads the salesperson to feel that they belong to a group, even if the group has been formed based on certain characteristics, the salesperson has a feeling of self-satisfaction. A sustained social interaction strengthens the confidence that salespeople have in each other. The confidence is often manifested through the support that the manager gives to the salesperson on a regular basis. Therefore,

H₁: Salesperson social interaction with the sales manager has a positive influence on willingness of a salesperson to cooperate with the manager.

Communication Quality

Communication quality is defined as a timely and accurate sharing of information through both formal and informal means between the sales manager and salespeople (Anderson & Weitz, 1989; Yilmaz & Hunt, 2001). While there is a consensus among theorists and professionals that internal communication among employees is vital for company success, there have been little empirical

endeavors to prove such importance (Asif & Sargeant, 2000). It is widely recognized in the organizational behavior literature that employees are considered as assets, resources, and ambassadors of the company (Dolphin, 2005), which is especially true in regards to salespeople. Advocates of employee communication identified some benefits of effective communication between employees, including corporate identification, positive attitude, and motivation (Dolphin, 2005). Concerning corporate identification, effective communication could potentially lead to employees having a better understanding of the work expectations (Dolphin, 2005). This creates a work environment in which knowledge is shared, mistakes are corrected, help is provided, and trust is built.

A salesperson that is well-informed about the function of the company and the relationship between departments within the company is likely to exhibit a positive attitude, leading to a higher performance rate. When the salesperson is uncertain about work expectations or lacks the confidence in the job, it is harder to find motivation to exert effort in the job. Sales managers motivate salespeople by establishing guidelines of expectations and providing consistency in those expectations. Open communication is essential for the manager to display the expectations of the salesperson, which is presented through the feedback the manager provides about the salesperson's performance.

The bond between the salesperson and the sales manager could be strengthened if they share similar experiences within the company. Interaction among salespeople and with the sales manager provides a constant communication channel that allows a free flow of information for both personal and work related information (e.g., Connelly & Kelloway, 2003). Knowing that successes and failures are shared provides a sense of relief that leads to salesperson motivation to perform the job. The salesperson feels that they are not the only one experiencing the success and failure. Open communication allows the salesperson to increase problem solving skills and overcome sales related challenges by referring to a combination of the skill qualifications and experiences of the sales

manager.

The salesperson is more likely to be committed to sales objectives when they feel greater significance in their contribution to the process. The sales manager communicates the vision of the organization and sells this vision to the salesperson during the interactions and conversations with the salesperson. To get full buy-in from the salesperson, the manager must get them involved and motivate the salesperson for better performance outcomes. Salespeople need reinforcement; therefore, by simply communicating a job well done can improve the likelihood that the salesperson will perform well and cooperate with the manager in future. It is proposed that:

H₂: Sales manager's communication quality with the salespeople has a positive influence on salesperson's willingness to cooperate with the sales manager.

Moderating Effect of Quality of Communication

The moderation effect of social interaction and communication quality on salesperson's cooperation with the sales manager has not been examined extensively in past literature. This study proposes that a positive social interaction between salespeople and sales managers foster a pleasant working environment, and when sales managers are great communicators who are able to increase the quality of communication between salespeople and themselves, it increases salespeople's willingness to cooperate with the sales manager. Therefore, this study suggests that:

H₃: Sales manager's quality of communication will moderate the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager.

METHODOLOGY

Sample

The sample was drawn from business-to-business salespeople at a manufacturing organization in the energy industry. A total of

312 salespeople were invited to participate in the study. Of those, 175 responded, providing a response rate of 56%. All incomplete questionnaires were deleted, leaving a total of 156 responses. The sample was 90 percent male, which is consistent with industry demographics. The average number of years employed with the company averaged 8.46 years ($SD = 9.14$), respondents reported having been in their current position for a mean of 5.08 years ($SD = 5.20$). Respondent demographics are presented in Table 1.

TABLE 1
Respondent Demographics

Demographic	Descriptive Statistics
Average Mean	44.82 years
Age Range	23-68 years
Gender (percent)	90% male 10% female
Race (percent)	90% white/non-Hispanic 10% other
Education (percent)	31% some college 57% bachelor degree 4% master's/MBA
Employment Mean	8.46 years
Employment Range	1-40 years
Employment in Current Position Mean	5.08 years
Income Mean	\$47,250
Income Type	46% Salary 44%Salary/Commission

*based on 156 respondents

Data Collection

Data were collected in the form of an on-line self-report questionnaire. An electronic questionnaire, along with an introductory cover letter from the researchers was sent through the company's internal e-mail system. A hyper-

link was provided in the cover letter and participants were asked to follow the link to respond to the survey. This process ensures anonymity of the participants. It was clearly stated in the cover letter that individual responses would not be shared with management. Non-bias response was assessed by comparing early and late responses, no significant differences were observed.

Measures

Constructs were measured using previously published scales and adapted when needed to fit the salesperson-sales manager context. All scales were measured using a seven-point Likert-type scale. The scales had good internal consistency and acceptable validity. Social interaction was adapted from a 7-item scale on the extent of interaction between the employees, as used in Doney and Cannon (1997). Communication quality between the salesperson-sales manager was adapted from a 6-item scale by Yilmaz and Hunt (2001). Salesperson willingness to cooperate was measured using a 16-item scale, as used by Yilmaz and Hunt (2001).

Data Analysis

All three scales were subjected to Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). Four items were deleted from the willingness to cooperate scale and one item was deleted from the social interaction scale due to high cross loadings. A two-step procedure was used to test the model. As suggested by Anderson and Gerbing (1988), a measurement model was developed to confirm the validity of the scales and a structural model was used to evaluate the relationships of the variables. The measurement model was validated using AMOS18. A total of 156 responses were tested using three constructs containing 22 items. The final measurement model reported a good model fit ($\text{Chi-Square} = 16.867$, $df = 2$, $GFI = .961$, $NFI = .986$, $CFI = .98$, $RMR = .021$).

TABLE 2:
Construct Reliability, Validity and Correlations

	CR	AVE	MSV	ASV	CQ	CO	SI
Communication Quality (CQ)	0.893	0.653	0.139	0.075	0.808		
Cooperation (CO)	0.937	0.606	0.044	0.027	0.102	0.779	
Social Interaction (SI)	0.926	0.643	0.139	0.091	0.373	0.209	0.802

Construct reliability and correlations are presented in Table 2. The structural model was then tested to evaluate the relationship among the variables. The structural model showed a good model fit (Chi-Square = 16.794, $df = 2$, GFI = .968, NFI = .990, CFI = .990, RMR = .019). Table 2 presents the construct reliabilities, average variance extracted, maximum shared variance, average shared variance, and correlations of the constructs.

RESULTS

Social interaction between the salesperson and the sales manager was found to have a significant positive relationship with salesperson's willingness to cooperate with the sales manager (z value = .302, $p < .001$), providing support for H_1 . When salespeople interact with their manager in social setting and discuss non-work related information, salespeople become more willing to cooperate with their manager. However, sales manager's communication quality was not found to have a significant relationship between the salesperson's willingness to cooperate with the sales manager, therefore this study failed to support H_2 (z value = 0.047, $p = 0.447$).

Moderating Effect of Sales Manager's Communication Quality

The results of the moderation test to evaluate H_3 are summarized in Table 3. In order for the moderating effect of sales manager's communication quality to be evaluated, the sample was split into two groups according to the median of the score for communication quality. (low communication quality, $n = 76$; high communication quality, $n = 80$). A two-group structural equation model was used to determine whether there was any significant difference in the structural parameters between

the low communication quality group and the high communication quality group.

First, the parameter from social interaction level to salesperson's cooperation was constrained to be equal. Second, the parameter was not constrained. Differences in the chi-square values between the two models determine whether communication quality has a moderating effect on the relationship between social interaction and salesperson's cooperation. The results reveal that sales manager's communication quality with the salesperson significantly moderates the relationship between salesperson's social interaction with the sales manager and salesperson's willingness to cooperate with the sales manager; therefore, H_3 was supported (z value = 0.146, $p < .001$). The moderation effect is demonstrated graphically in Figure 1, which shows a moderate positive relationship between social interaction and salesperson cooperation when communication quality is high and a lower impact in a negative direction for the social interaction-cooperation relationship when communication quality is low.

FIGURE 1:
Moderating effect of Sales Manager's communication quality

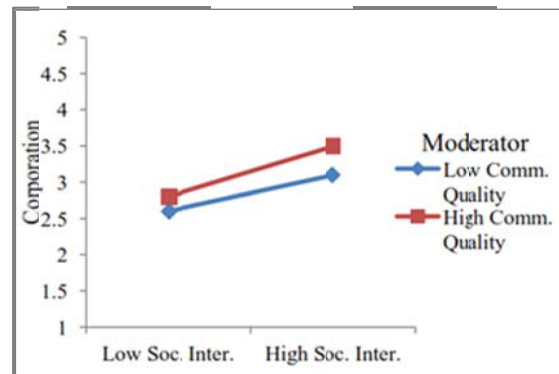


TABLE 3:
Maximum likelihood estimates: Standard Regression Weights

			Estimate	S.E	C.R	P
Trust	←	Competence (H1)	.471	.203	2.321	.020
Trust	←	Dependability (H2)	.770	.227	3.398	***
Trust	←	Consideration (H3)	-.071	.330	-0.216	.829
Commitment	←	Competence (H4)	.495	.180	2.751	.006
Commitment	←	Dependability (H5)	.528	.253	2.688	.007
Commitment	←	Consideration (H6)	1.040	.271	3.834	***
Commitment	←	Trust (H7)	.998	.163	5.560	***

DISCUSSION

It is well established in sales research that the success of a sales force depends greatly on the relationship between the salesperson and the sales manager. The salesperson has a personal connection to the organization based upon their relationship with the manager. As environmental factors continue to impact the business markets, organizations are re-evaluating their corporate objectives to remain competitive. When corporate objectives are revised and revamped this information should trickle down to each salesperson in the organization in order to implement and attain the revised objectives. Therefore, in managing the sales force, the sales manager has a greater responsibility in creating an environment so that the salesperson is willing to cooperate with the sales manager.

Contrary to common body of knowledge, which states that interpersonal communication between the sales manager and salespeople is one of the key attributes in motivating the salesperson to cooperate with the sales manager, current study findings showed that the sales manager's quality of communication in itself does not motivate the salesperson to cooperate with the sales manager. However, there is a caveat in order. This study conceptualized quality of communication though the salesperson perspective of accurate and timely information sharing. In other words, sales managers should not assume that simply sharing information on a timely and accurate manner would be sufficient to motivate the salesperson to cooperate with the sales manager. When considering communication, we believe that active listening, open communication, and frequent communication are still important factors in creating a strong bond between the sales manager and the salesperson, which could lead to the salesperson's willingness to cooperate with the sales manager.

Due to the nature of business-to-business sales positions, the amount of time the salesperson spends with the manager is typically limited. This study clearly showed the importance of the salesperson's interaction with the sales manager during and after office hours. When the salesperson has a strong connection with the sales manager, the salesperson is motivated

and willing to cooperate with the sales manager as they feel that the sales manager is part of their in-group. This does not mean that managers should spend an increased amount of time socializing with their salespeople. Instead, managers should focus on the quality of the interactions when they are with their salespeople. Organizations that support social interaction between the salesperson and the manager see higher levels of cooperation. If the interaction between the manager and the salesperson creates a bonding experience and the salesperson finds enjoyment in the relationship, the interaction becomes a stronger predictor than just having individual traits. This suggests that relationship interaction has a stronger impact than specific personal characteristics of the individual, which reaffirms the importance of manager interactions with the salesperson.

Although on its own, quality of information will not impact salesperson's willingness to cooperate with the sales manager, when organizations are able to create a higher level of quality interaction between the salesperson and the sales manager, providing relevant information on a timely and an accurate manner will enhance the salesperson's willingness to cooperate with the sales manager. This suggests that the communication quality established in a professional context may act as a foundation for the relationship in a personal context, which increases the sales person's willingness to cooperate with the sales manager.

Limitations and future research

The sample was taken from a single sales organization in a business-to-business context. Future research should examine this model with other sales positions from multiple organizations to provide generalizability across industry. The salesperson-sales manager interaction measures salesperson perceptions of the relationship and the perceived quality of the communication with their manager. Future research should include dyadic responses to compare perspectives of both the salesperson and the sales manager. Many business-to-business sales positions are outside sales, limiting the time and availability to interact with the manager. Future research would be suggested to investigate how the professional interaction influences the quantity and quality

of the interaction in a social context, and the extent this has on behavioral and performance outcomes.

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Erasing the line between homosexual and heterosexual advertising: A perspective from the educated youth population

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ABSTRACT

The 'pink dollar' or 'dream market' is a relatively untapped market that is idealised by marketers for its profit potential. As a result, it is of significant interest to marketing practitioners who aim to invest in this billion dollar industry. However, marketers face challenges in reaching this market through mainstream advertising due to the 'stigma' attached to homosexuality, which often results in the marginalisation of heterosexual consumers. The purpose of this study was to investigate the influence of consumers' tolerance of homosexuality on their attitudes toward homosexual advertisements, and ultimately how these attitudes influence on purchase intention. Data collection was conducted by means of self-administered questionnaires involving 312 university students aged 19 and 24. The results of this study indicated that tolerance to homosexuality does influence attitudes formed by various advertisements, thereby influencing purchase intentions. Furthermore, the results indicated that gender influenced the attitude and purchase intention towards brands that use homosexual models in their advertisements. The findings of this study provide marketers with a better understanding of how to advertise to the homosexual market without marginalising the heterosexual consumer. Developing improved understanding of such an important market segment is significantly meaningful, especially in South Africa, a developing country that researchers often neglect.

Keywords: advertising, homosexual, heterosexual, purchase intention, attitudes

South Africa has one of the most liberal constitutions in the world, and was the first country to integrate sexual orientation in its Bill of Rights in 1996 (Cock, 2002; Francis & Msibi, 2011; Traeen, Martinussen, Vitters & Saini, 2009). As a result, homosexuality in South Africa has become more visible (Ncanana & Ige, 2014) and recreational activity has become the focus for homosexual consumption (Livermon, 2014). Homosexuals proudly participate in forms of self-expression, such as the Gay and Lesbian Pride parades, and they openly engage in homosexually-orientated township events (Livermon, 2014).

Furthermore, Cape Town is often referred to as the gay capital of South Africa, and has become a tourist attraction for primarily white homosexual consumers (Visser, 2010), thus contributing largely to South Africa's economy and actively participating in local consumption practices.

Homosexual consumers express their sexuality through consumption and their purchasing power is valued at \$835, 30 billion in the USA (Peters, 2011). In research dominated by American theoretical ideologies, homosexual consumers are depicted as having high

disposable incomes, are considered to be more brand-loyal, and are early adopters of new products and services (Pinho, Loureiro & Kastenholtz, 2012). As a result, marketers have increased marketing expenditure in order to target the homosexual market, but marketers are challenged in finding appropriate ways to advertise to this market without marginalising a portion of the heterosexual market (Oakenfull & Greenlee, 2004). This marginalisation is evident in current literature, and reveals an undercurrent of hostility against homosexuals in South Africa that often leads to violence (Reid & Dirsuweit, 2001; Theunick, 2000). Therefore, regardless of the fact that the South African constitution has extensive human rights protecting gender diversity, negative attitudes and low levels of social acceptance still exist towards homosexuals (Ncana & Ige, 2014).

Therefore, the main purpose of this study was to investigate the influence of consumers' tolerance of homosexuality on their attitudes toward homosexual advertisements, and ultimately how these attitudes influence on purchase intention.

Although several studies on homosexual advertising have been conducted in an American context, shortcomings exist in these studies. For example, Oor, van Oudtshoorn, and Kotze (2005) conducted a study investigating the influence of sexual tension on consumer attitudes and purchase intention, but this study only focussed on the use of lesbian imagery. This warrants future research to investigate the influence of sexual tension in both male and female homosexual imagery. With this in mind, the role of product sectors, such as the technology and fashion categories, can also influence behaviour. Homosexual consumers are known for following innovative trends and tend to be fashion and technologically savvy (Fejes & Lennon, 2008; Sha, Aung, Londerville & Ralston, 2007). There appears to be an increase in the acceptability of homosexual advertising, more evident in fashion than in other product sectors (Bhat, Leigh & Wardlow, 2010). Thus, varying the product sectors researched is advisable so that the differences in attitudes and purchase intentions of consumers in relation to the product itself can be ascertained (Bhat et al., 2010). Another limitation of previous

research was the generalisability of findings. For example, Hooten, Noeva, and Hammonds, (2009) explored brand perceptions and purchase intention, but made use of a sample that was too small to be generalised, providing an opportunity for future research, particularly in an African context. Conducting this research in a South African context is beneficial to uncover insights into different consumer mind-sets. Furthermore, it implies that determining a respondent's characteristics in terms of tolerance to homosexuality and their gender needs to be included in research (Bhat et al., 2010).

Therefore, this paper aims to investigate the influence of a consumer's tolerance to homosexuality on their attitudes towards homosexual advertisements (varying in the level of intimacy, gender, and product sector), and its influence on purchase intention. Furthermore, this research aims to provide marketers with a better understanding of feasible advertising methods that can be used to target the homosexual market without marginalising the heterosexual consumer. The first objective of this research was to determine whether or not consumers' tolerance towards homosexuality influences attitudes and purchase intentions of brands that target the homosexual consumer. The second objective was to investigate whether or not the level of intimacy, the product sector, and the gender of the models in the advertisements have an influence on consumers' attitudes towards advertisements. The third objective was to determine if a respondent's gender influences their attitude towards the advertisements, and the fourth objective was to determine whether or not attitudes towards an advertisement influence purchase intentions. The fifth objective sought to determine the influence of an individual's gender as a moderator of attitudes and purchase intention.

THEORETICAL BACKGROUND

Segmenting and targeting the homosexual consumer

Psychographic segmentation occurs through consumer clustering based on similar psychological predispositions, such as a consumer's lifestyle (Cant, Strydom, Jooste, du Plessis, 2006; Joubert, 2010). A particular

lifestyle can be reviewed in terms of a consumer's sexuality, where this segmentation approach is gaining more popularity as homosexual consumers are more openly displaying their sexuality (Oakenfull & Greenlee, 2004).

Targeting the homosexual consumer is directly related to whether or not homosexual consumers show open acceptance of their sexual orientation (Hsieh & Wu, 2011). Research shows that a male homosexual will alter his purchasing behaviour depending on the level of acceptance he cultivates for his own identity, which is further influenced by the level of acceptance realised by his referent groups (Hsieh & Wu, 2011). As a result, more overt behaviour is elicited by homosexual consumers who are more accepting of their lifestyles (Hsieh & Wu, 2011). Thus, from a marketing perspective those consumers who openly identify with the homosexual community are referred to as a dream market to be exploited because marketers can then customise their marketing messages to overt consumer identities (Oakenfull & Greenlee, 2004).

Positioning decisions when targeting the homosexual consumer

Positioning is a fundamental aspect in ensuring a brand can differentiate itself effectively from its competitors in order to entice consumers to purchase the product or service (Joubert, 2010). When opting to target homosexual consumers particularly in advertising, brands are in effect positioning themselves as a risqué, liberal, and progressive brand in order to acquire more attention from consumers (Oor, Van Rheede Van Oudtshoorn & Kotze, 2005; Tsai, 2013). Sabaru, Ford, Volvo, Land Rover, Volkswagen, and Walmart are known to have put marketing strategies into place that specifically target the homosexual market (Hooten et al., 2009). Adopting this position can, in effect, increase brand recall and recognition (Angelini & Bradley, 2010). However, brands may run the risk of marginalising their current heterosexual consumers (Bhat, Leigh & Wardlow, 2010).

Advertising to the homosexual consumer

Advertising is a powerful tool used to persuade consumers to purchase a product or service (Malmelin, 2010) and evolves with time. When directing advertising to the homosexual consumer, gender and racial identity become factors to consider. Oakenfull & Greenlee (2004) proposed that within the homosexual market there is growing consensus that in order to target female homosexual consumers, female visual imagery should be used. Similarly, targeting male homosexual consumers should make use of male visual imagery. Contrary to this finding, Dotson, Huatt, and Thompson (2009) found that female homosexual consumers do not prefer to see female homosexual imagery, but rather male homosexual imagery. These findings can be explained by the fact that female homosexual consumers are unable to identify with more feminine female imagery, and find it easier to connect to androgynous imagery depicted by male models in the advertisements. This notion is indicative of Queer theory, which proposes that one's gender is not always in line with one's gender identity, where a male does not necessarily have to identify with masculine identity and females do not necessarily need to identify with feminine identities (Kates, 1999). Within a South African context, homosexual advertising is dominated by white homosexual imagery, which imagery fails to represent black homosexual identity in advertising (Sonnekus & van Eeden, 2009). An example of strong usage of white homosexual imagery is evident in Gay Pages, a longstanding glossy South African magazine that has successfully targeted the homosexual niche market who fall within LSM 8 to 10, and has a readership base of 45 000 people (Gay Pages, 2014).

Male and female homosexual advertising

Recently, gay window advertising that uses androgynous styled imagery has been adopted frequently by organisations as a method to advertise to male homosexual consumers

without marginalising heterosexual consumers (Borgerson, Schroeder, Blomberg & Thorssen, 2010; Puntoni, Vanhamme & Visscher, 2011). This form of advertising does not overtly represent homosexual imagery in the advertisements, but depicts the sexual orientation of the persons ambiguously in the advertisements, increasing the difficulty for heterosexual consumers to decode the advertisements (Borgerson et al., 2010; Puntoni et al., 2011). However, homosexual consumers manage to interpret the implicit homosexual representations encoded in the advertisements by marketers (Borgerson et al., 2010).

Lesbian chic advertising is used to target female homosexual consumers, which depicts varying degrees of sexual tension between two females and the females are not necessarily viewed as a lesbian couple (Richert, 2012). The variations of sexual tension can be subtle and undetected, or overt and obvious. However, lesbian chic advertising has been developed in accordance with heterosexual male sexual fantasies, and does not in actual fact target the lesbian consumer effectively (McKeena, 2002).

The influence of product sectors on homosexual advertising

Research shows that homosexual consumers are more fashion conscious than their heterosexual counterparts (Schofield & Schmidt, 2005). As a result, gay men focus more on their physical appearance than heterosexual men are inclined to (Ahmad & Bhugra, 2010). Therefore, consumption patterns are a useful means for defining consumers according to their sexuality (Hsieh & Wu, 2011). Homosexual consumers prefer to see their lifestyle within fashion advertisements as a means of self-expression (Dotson et al., 2008). The consumption of clothing contributes to a consumer's identity. This is because fashion becomes a non-verbal communicator for homosexual consumers to identify themselves and others as homosexual (Schofield & Schmidt, 2005; Sha et al., 2007). Clothing particularly enhances a homosexual's distinct qualities and is used as a means to embody confidence in the homosexual lifestyle (Sha et al., 2007). An increase in self-expression through consumption is further

supplemented by the increase in open homosexual forums (Hsieh & Wu, 2011). As a result, homosexual consumers are reported to spend more time and money in apparel stores in order to affirm their social standing that can be provided by clothing, rather than the basic need that the apparel industry offers (Sha et al., 2007). Subsequently, the technology product sector can be considered in conjunction with the market diffusion of innovation (Trott, 2012). This model consists of five sectors, namely innovators, early adopters, early majority, late majority, and laggards (Smith & Taylor, 2010).

Homosexual consumers in particular are analysed as being part of the early adopter segment that are defined as consumers who focus their buying decisions on whether or not a technology product or service is technologically advanced and has a high performance potential, and are thus viewed as trend setters for other consumers (Vandecasteele & Geuens, 2009). Thus, advertising to homosexual consumers is an avenue to pursue for technology brands since homosexual consumers are enticed by technology brand messages, and can act as lead users for other consumers (Fejes & Lennon, 2008).

A heterosexual perspective to homosexually themed advertising

South Africa has a liberal constitution that acts as the foundation for homosexual acceptance. However, there is still prejudicial behaviour towards homosexuality by heterosexual people (Herek, 2004). For instance, research has shown that many citizens view homosexuality as the erroneous transfer of gender qualities. Male homosexual people are viewed as being feminine and weak, whereas female homosexuals are viewed as females attempting to be regarded as men (Francis & Msibi, 2011).

However, within the younger population more acceptance of homosexuality is being realised (Keleher & Smith, 2012). Two theories are considered to explain the social changes in accepting homosexuality. The first is the generational-replacement explanation, which proposes that a shift in homosexual acceptance is as a result of the human lifespan, that is, the

older, more conservative population are being replaced by a younger population with a higher tolerance of homosexuality (Keleher & Smith, 2012). Thus, in effect, tolerance of homosexuality does not change over time, but rather is replaced in accordance to the human life cycle. The second theory is the period-effects explanation, which attributes the shift in homosexual acceptance to the changes in politics, social norms, and religious beliefs that influence society's tolerance levels (Keleher & Smith, 2012). Tolerance to homosexuality further influences a consumer's response to homosexual imagery. A consumer that is more tolerant of homosexuality will develop more positive attitudes to homosexual imagery than consumers who are less tolerant of homosexuality (Bhat et al., 2010).

Moderator of the formation of attitudes and purchase intention.

Heterosexual consumers' attitudes and purchase intentions vary, depending on their gender. Previous research shows that the gender of the heterosexual consumer influences their attitude toward homosexual imagery. However, there is a level of disparity as to the influence gender has on attitude formation. Oakenfull & Greenlee (2004) found that male heterosexual consumers formed less negative attitudes to female homosexual imagery than male homosexual imagery. However, female heterosexual consumers reported to have consistent attitudes towards both male and female homosexual imagery.

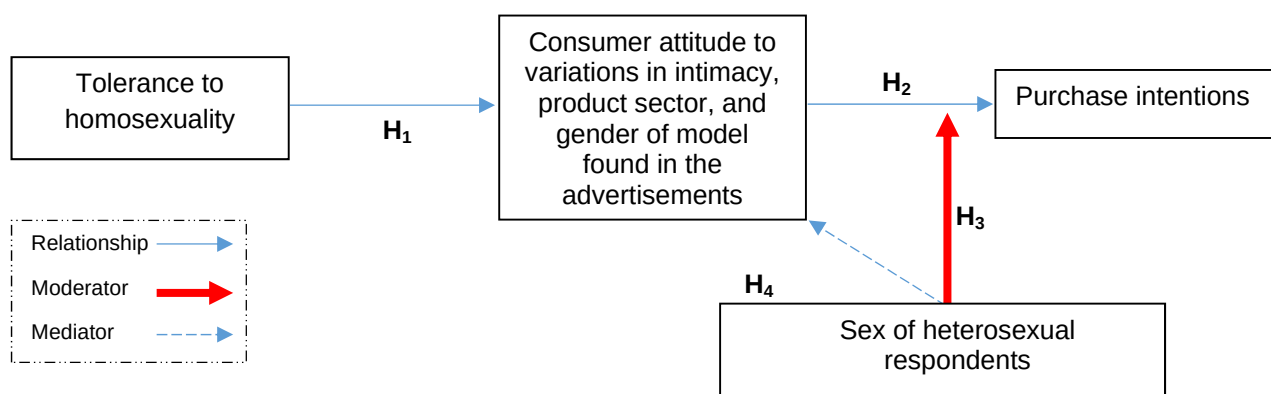
However, these results are not confirmed by all researchers (Oakenfull & Greenlee, 2004).

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

Based on the research accumulated, Figure 1 depicts the proposed theoretical model.

This model is one-directional and attempts to determine the influence of *tolerance to homosexuality* on consumer attitudes to a stimulus (the variations in advertisements), and subsequently its effect purchase intentions, and account for a heterosexual respondent's gender. The independent variable is *tolerance to homosexuality* as it affects the attitudes toward the variation in advertisements. Accordingly, the dependent variable is the *attitude* consumers form when viewing advertisements, which in turn affects *purchase intention*. This effect is indicative of the dual mediation model that visually depicts the procedure that consumers undergo to process marketing messages, which, in effect, are the attitudes and purchase intentions developed by the consumer (Yoonk, Lacznaiak, Muehling & Reece, 1995). In order to work out the relationship between consumer attitudes and purchase intentions, a consumer's attitude towards the advertisement subsequently becomes the independent variable, and purchase intentions become the dependent variable. A respondent's gender IS said to moderate formation of a consumer's attitude when the independent variables are manipulated.

FIGURE 1
Model used in this study



Compiled by Ereni Akermanidis (2013)

Lastly, a respondent's gender as a mediator on consumer attitude formation will expose a difference between gender and the formation of attitudes. Subsequently, the hypotheses are as follows:

H₁: there is a relationship between *tolerance to homosexuality* and *consumer attitudes to homosexual advertising*;

H₂: there is a relationship between heterosexual overall *consumer's attitudes* and overall *purchase intentions*;

H_{2a}: there is a relationship between attitudes formed for advertisement #1 (low intimacy, female, fashion sector) and *purchase intentions*;

H_{2b}: there is a relationship between attitudes formed for advertisement #2 (low intimacy, male, fashion sector) and *purchase intentions*;

H_{2c}: there is a relationship between attitudes formed for advertisement #3 (high intimacy, female, fashion sector) and *purchase intentions*;

H_{2d}: there is a relationship between attitudes formed for advertisement #4 (high intimacy, male, fashion sector) and *purchase intentions*;

H_{2e}: there is a relationship between attitudes formed for advertisement #5 (low intimacy, female, technology sector) and *purchase intentions*;

H_{2f}: there is a relationship between attitudes formed for advertisement #6 (low intimacy, male, technology sector) and *purchase intentions*;

H_{2g}: there is a relationship between attitudes formed for advertisement #7 (high intimacy, female, technology sector) and *purchase intentions*;

H_{2h}: there is a relationship between attitudes formed for advertisement #8 (high intimacy, male, technology sector) and *purchase intentions*;

H₃: gender of respondents moderates the formation of *consumer attitudes*;

H_{4a}: there is a difference between heterosexual male attitudes when viewing different homosexual advertisements; and

H_{4b}: there is a difference between heterosexual female attitudes when viewing different homosexual advertisements.

RESEARCH DESIGN AND METHODOLOGY

This study undertook a quantitative, descriptive research design whereby questionnaires were distributed among a sample of 340 respondents.

Sampling

A stratified sample of 340 university students were selected, of which 312 questionnaires were found useful. Each strata was defined based on the faculties offered at the University. All students were from the University of Witwatersrand, representing a diverse socio- demographic target population, and the stance of the university is for students to support homosexuality openly (Wits, 2013). The sample of students were mostly between the ages of 18 and 24, equally divided between males and females. This sample fell into a sub-group of generation Y, also known as echo boomers, where the appropriate age group selected was the 19-24 year age group, since the young adult population is primarily focused on their sexuality, reiterating the appropriateness of the selected sample (Traeen et al., 2009).

Ethical consideration

This research underwent a comprehensive ethics procedure. Questionnaires were anonymous and respondents participated voluntarily. The data was only used for academic purposes within the University of the Witwatersrand. Due to the sensitive subject matter, counselling was freely available for all participants.

Measuring instruments

Questionnaire design

The questionnaire consisted of four sections. In the first section, Part A, a brief overview of the participant's demographics was established. Part B required the respondents to rate their attitudes and purchase intentions towards four advertisements that varied in

depiction levels of intimacy and gender. These advertisements were related to fashion products. In Part C, respondents had to rate their attitudes and purchase intentions responding to four advertisements that similarly varied in level of intimacy and gender, however, these advertisements were related to technology products. Fictional brand names were used to avoid any form of possible bias (See Appendix A). Part D required a respondent to state their sexual orientation. The question was worded in the following manner: *"If I had to categorise myself, I would define myself as being homosexual, heterosexual, or bisexual"* (Bhat et al., 2010). Furthermore, an additional option was given to respondents to describe their sexual orientation as 'uncertain', acknowledging the potential confusion some respondents have towards their sexuality. In order to ensure that the study is conducted in the most ethical manner possible, all respondents' information will be statistically analysed, but focus will be concentrated on the heterosexual consumer.

Questionnaire scales

To measure tolerance of homosexuality, a newly created scale was developed since the majority of existing scales reflect an assumption of a dominant heterosexist paradigm, which may lead or offend respondents. This new scale adopted principles of the semantic differential measurements. When developing this scale, similar terminology was employed as used by Bhat et al. (2010), namely moral, immoral, acceptable, unacceptable, condemned, and liberated. These terms were chosen due the stigmatisation of homosexuality in some cultures that affect consumers' behaviour (Francis & Msibi, 2011; Joubert, 2010). Secondly, the decision to include terms like maddening, pleasing, criticism, and praise are informed by the analysis of a South African context, whereby homosexuality is considered un-African and is believed by some to have emerged as a result of colonisation (Francis & Msibi, 2011).

Thirdly, the terms 'genetic' versus 'learnt' have been used because when viewed from a strictly genetic perspective, homosexuality allows for society to be more tolerant to the homosexual lifestyle. Conversely, when

viewing homosexuality from the perspective of learnt behaviour, more negative feelings begin to surface (Whitehead & Baker, 2012; Halder-Markel & Joslyn, 2008). Lastly, when a consumer views varying degrees of intimacy in an advertisement, their attitudes also change, where an increase in the level of intimacy leads to more negative attitudes (Oakenfull & Greenlee, 2004). The reason behind this may be allied to whether not the consumer feels comfortable with homosexuality.

Attitudes were measured using an adaptation the Attitude toward the Ad scale used by Bhat et al. (2010) and the Bruzzone test (Shimp, 2007). Together these scales registered high reliability ($\alpha=0.92$) across all advertisements measured in the study. Furthermore, to measure purchase intentions a three-item scale, termed a brand interest scale, was used, registering high reliability across three advertisements used in their study ($\alpha=0.85$, 0.86 and 0.88) (Oor, van Oudtshoor, Kotze, 2005). The tolerance to the homosexuality scale had high reliability ($\alpha=0.90$).

Data analysis

Data analysis was conducted on the 312 usable questionnaires using a variety of tests in SAS Enterprise 5.1. A factor analysis confirmed the validity of the scales, and cronbach alpha values confirmed the reliability of all the scales in the questionnaire (Bereson, Levine & Krehbiel, 2006). In this study a level of significance was taken as 0.05. Simple linear regression was used in order to work out relationships specified in the model. Moreover, an Anova was performed to deduce the differences between attitudes for males and females when exposed to different advertising stimuli. Thereafter, a t test was used to determine the difference in attitudes across gender and for each product sector (Bereson et al., 2006). In some instances the sample was separated and clustered into a heterosexual group and a non-heterosexual group due to the low response rate of non-heterosexual respondents (28 out of 312 respondents). By doing so, the non-heterosexual sample did not form part of the main analysis in this study, to avoid the results being erroneously skewed.

RESULTS AND FINDINGS

Descriptive results

In terms of the descriptive data, non-heterosexual respondents reported to form neutral attitudes to homosexual imagery across product sectors ($\mu=3$). Furthermore, male non-heterosexuals were unlikely to follow through with a purchase when viewing advertisement #1, #2, #3, and #4 ($\mu=2$) but showed neutral intentions towards the other advertisements ($\mu=3$). Further, female non-heterosexual female respondents showed neutral purchase intentions across all advertisements. In addition, tolerance to homosexuality resulted in neutral tolerance levels from male non-heterosexuals, and positive tolerance levels from female non-heterosexual respondents.

Concerning the heterosexual respondents' attitudes for advertisement #3, male respondents formed negative attitudes but females showed more neutral attitudes.

Furthermore, for advertisement #6, positive attitudes were formed by males but females showed more neutral responses. In terms of purchase intentions, negative purchase intentions were evident across both genders. Furthermore, female and male heterosexual respondents showed neutral attitudes in terms of their tolerance of homosexuality. In connection to hypothesis testing, the following was uncovered:

Hypothesis 1: A key objective of this study was to determine if tolerance to homosexuality influences attitudes towards various homosexual advertisements. The first hypothesis met this objective and tested the relationship between tolerance to homosexuality and consumer attitudes. Using a regression analysis, the results supported this hypothesis ($p=0.001$) and showed that there is in fact a relationship between tolerance to homosexuality and attitudes formed by respondent.

Hypothesis 2: The second hypothesis tested the relationship between heterosexual consumer attitudes and overall purchase intentions. This hypothesis was supported and shows that this relationship exists ($p=0.001$).

Further analysis was conducted for each advertisement, which varied in intimacy, gender, and product sector. All relationships for each advertisement individually were also supported ($p=0.049$; $p=0.001$; $p=0.0001$; $p=0.0001$; $p=0.0001$; $p=0.0001$; $p=0.001$; $p=0.0001$). In addition, using Pearson correlations moderate correlations existed between attitudes and purchase intentions for advertisements #1 ($p=0.70$), #4 ($p=0.71$), #7 ($p=0.72$) and #8 ($p=0.71$), whilst a strong correlation existed for advertisements #2 ($p=0.75$), #3 ($p=0.75$), #5 and #6 ($p=0.71$).

Hypothesis 3: In line with an objective of this study, this hypothesis tested gender as a moderator of the formation of consumer attitudes. This hypothesis was shown to be significant ($p=0.001$), implying a difference in attitudes between gender groups. Furthermore, the interaction between gender and attitudes was shown to be significant ($p=0.001$), reinforcing the fact that gender does moderate the relationship between attitudes and purchase intentions.

Hypothesis H_{4a}: The fourth hypothesis (H_{4a}) tested the differences in attitudes between male heterosexual attitudes when viewing each advertisement. This hypothesis is related to hypothesis #3, which proposed that there is a statistically significant difference between the genders of the heterosexual person's formulated attitudes when viewing different homosexual advertisements.

Regarding the source statistics, the independent groups (advertisements) are significant ($p=0.0001$), which implies that there is a difference between male heterosexual attitudes when viewing independent advertisements. Given that the Levine's test is significant ($\sigma^2=0.001$), there is sufficient evidence to suggest that the means are equal. Furthermore, the Bartlett test shows a significant chi square ($\chi^2=0.001$), which implies that there is sufficient evidence to suggest that the population variances are different. The Bonferroni test shows that there is a significant difference between advertisement #6 and all other advertisements.

In effect, advertisements can be grouped together in that they elicit similar attitudes. Where, advertisements with low intimacy (#2,

#5, and #7) elicited the same attitudes; advertisement #1, #3, #7, and #8 resulted in the same attitudes as one another. Furthermore, advertisements with high intimacy (#3, #4, and #8) had the same attitudes as one another, and #1, #5, and #7 elicited the same attitudes from respondents.

Hypothesis test H_{4b} : The fourth hypothesis (H_{4b}) suggested there is a difference between female attitudes when viewing different advertisements. With regard to the source statistics, the independent groups (advertisements) are significant ($p=0.001$). Given that the Levine's test is significant, there is sufficient evidence to suggest that σ_j^2 are equal ($\sigma^2=0.0536$). Furthermore, the Bartlett test shows a significant chi square ($\chi^2=0.001$), which implies that there is sufficient evidence to suggest that the population variances are different. The Bonferroni test shows that there is no significant difference between advertisements #1, #2, #3, #5, #6, and #7 among females.

Correspondingly, there is no significant difference between advertisements #4 and #8 (high intimacy male advertisements) among female consumers. However, a difference exists between these two groups, implying that respondents negatively view high intimacy male advertisements, which is different to their responses to all other advertisements.

Post hoc testing to measuring attitudinal differences

Attitudinal differences between males and females: To measure changes in attitudes between male and females per advertisement, t tests were performed. A significant difference between males and females existed for advertisements #2 ($p=0.0001$), #3 ($p=0.0002$), #4 ($p=0.0001$), #6 ($p=0.0001$), #7 ($p=0.0174$), and #8 ($p=0.0001$) were identified.

Attitudinal differences within the fashion sector: In the fashion sector there is a difference between advertisements #1 and #2 ($p=0.0001$), advertisements #2 and #4 ($p=0.0001$), and advertisements #3 and #4 ($p=0.0001$).

Attitudinal differences within the technology sector: In the technology sector

there is a difference between advertisements #5 and #6 ($p=0.0001$), advertisements #5 and #7 ($p=0.0001$), advertisements #6 and #8 ($p=0.0001$), and advertisements #7 and #8 ($p=0.0001$).

Attitudinal differences across the fashion and technology sector: With regards to product sector differences, it was evident that differences in attitude were formed between advertisements #1 and #5 ($p=0.0202$) advertisements #2 and #6 ($p=0.0001$); advertisements #4 and #8 ($p=0.0001$). Further analysis revealed that the mean difference ($\mu=0.16$) between advertisements #1 and #5 showed that advertisement #5 elicited more positive attitudes than advertisement #1. Secondly, in terms of the mean difference ($\mu=0.35$) for advertisements #2 and #6, the results imply that advertisement #6 was better received by respondents than advertisement #2. Thirdly, advertisements #3 and #7 had no significant difference ($p=0.6328$), however the mean difference ($\mu=0.0293$) implies that advertisement #7 was slightly better received by respondents. Lastly, the mean difference between advertisements #4 and #8 shows that advertisement #8 was better received than advertisement #4. This implies that the technology sector elicited more positive attitudes than the fashion sector.

DISCUSSION

Insights into the non-heterosexual consumer

In view of the low response rate from non-heterosexual consumers resulting in the inability to draw conclusive findings from such a low base size, bisexual, homosexual and uncertain respondents' results tended to be more neutral to homosexual advertising than what would have been expected.

Research conducted by Holland and Gentry (1999) can be used to shed light on this outcome. Holland and Gentry (1999) dealt with ethnic groups' reaction to target-specific marketing messages. Although the research is not in line with the theme of this study, an implication has surfaced. Consumer attitudes are influenced by the information that they possess about the brand or agent providing

them with marketing messages. If an ethnic group does not have sufficient information about the brand, they may not recognise the true reasoning behind target-specific messages. Similarly, if the consumer is well-versed with a brand, and are aware of past support for their consumer group, they will show more interest or a more positive attitude to a brand and its marketing message (Holland & Gentry, 1999).

To relate these findings to the homosexual consumer, the use of fictional brands may have had an adverse effect on some of the non-heterosexual respondents. Thus, failure to have prior brand information and its support for homosexuality may have resulted in respondents experiencing less favourable attitudes to the advertisements, due to the perception that the advertisements were a mere marketing ploy, as opposed to a brand supporting their consumers directly.

Another more superficial reasoning behind this unexpected outcome may be as a result of the actual advertisement's composition, rather than the respondents' lack of support for their own sexual orientation. Non-heterosexual respondents may have analysed the advertisement further and not have been enticed by the style of fashion depicted in the advertisement, or may they may have failed to understand the networking service that was advertised in the technology sector. The possible reasons may have counted against the advertisement, and resulted in only neutral attitudes and purchase intentions being formed.

In terms of non-heterosexual male respondents' tolerance to homosexuality, male respondents showed neutral tolerance. This may be a by-product of social discrimination resulting in non-heterosexual respondents experiencing shame for their sexual orientation, or fear of being overtly positive about their lifestyle, which is traditionally marginalised in society (Traeen et al., 2009). However conversely, female respondents did show positive tolerance to homosexuality, which suggests that female non-heterosexual respondents are more open to celebrating their sexual orientation.

Insights into the heterosexual consumer

On average, heterosexual respondent's tolerance to homosexuality was neutral. This implies that the student population may not be overtly heterosexist, but rather indifferent to homosexuality. This in effect links to research conducted by Schott-Ceccacci, Holland & Matthews, 2009 which looked at student attitudes as a consequence of their educational environment. Educational environments harbour the most tolerance to different lifestyles and, in effect, can re-socialise young consumers.

Results suggested that males prefer low levels of intimacy in advertising and are more inclined to appreciate female homosexual imagery across both levels of intimacy. Regarding female heterosexual attitudes, on average the majority of their attitudes were neutral. A similarity was evidenced by the fact that negative attitudes were formed for advertisements #4 and #8, which both depicted high intimacy levels between males. On average, female consumers are more likely to be accepting of brands that make use of homosexual advertising, on condition that male homosexuality is not the focus of the advertisement. In effect, this research confirms Hooten, Noeva, and Hammonds (2009) research that found that heterosexual consumers do not form positive attitudes towards male homosexuality.

The influence of tolerance to homosexuality on attitudes

Bhat et al. (2010) proposed that tolerance to homosexuality did effect attitude formation. This is confirmed in this study, where results show that tolerance to homosexuality does affect consumer attitudes towards the advertisement. This notion implies that marketers must pay careful attention to determining the tolerance level of their market. The probability that a market is, on average, tolerant to homosexuality, increases the success rate of using homosexual imagery in advertising campaigns.

Attitudes on purchase intentions

Attitudes formed by respondents showed an influence on purchase intentions (Bhat et al.,

2010; Yoonk et al., 1995). A consumer who forms positive attitudes towards the advertisement will be more likely to purchase from the brand. Thus, based on this notion, careful attention must be paid to ensuring that the composition of the advertisement elicits positive attitudes.

The role of product sectors

The results of this study argue that product sector is a fundamental component in effectively targeting homosexual consumers in mainstream advertising. The technology sector elicited more positive attitudes than the fashion sector. Potential deductions of this are that the fashion sector has a stronger association with a consumer's identity.

This implies that a consumer may find it difficult to identify with homosexual imagery, which is unlike their own. This notion is discussed in research conducted by White and Dahl (2007), which shows that the consumer is more likely to feel less connected to a brand that is associated with an out-group. Thus, it may be inferred that heterosexual consumers may not identify with the technology sector as a reflection of the self, and thus be more open to associate this sector to imagery that is different to their identity. This is unlike the fashion sector, which consumers often use as a means of self-expression, and is a direct reflection of a consumer's identity.

The role of gender

According to the findings shown in the previous section, a consumer's gender does moderate heterosexual attitudes and purchase intentions, as suggested by research conducted by Oakenfull & Greenlee (2004).

The possibility of advertising to the homosexual consumer

It is evident that there is in fact a feasible way to target 19-24 year old homosexual consumers in mainstream advertising without marginalising heterosexual consumers (falling within this same age range) in the process. Findings show that the level of intimacy, product sector, and gender of the homosexual models in the advertisement do influence consumer attitudes. This is evident in the

technology sector that showed more positive attitudes in both male and female heterosexual respondents than the fashion sector did. In addition, low to high intimacy of female imagery in advertising is more feasible than making use of male homosexual imagery within this sampled group. This notion is then further influenced by a consumer's tolerance to homosexuality, and the respondent's gender also mediates the relationship between attitudes and purchase intentions. However, more investigation is necessary to determine the intrinsic differences between consumers.

IMPLICATIONS FOR MARKETERS

This study holds several implications for marketers. Firstly, marketers need to ensure that the targeted homosexual consumers do in fact identify with the brand. This could be determined through market research of a brand's target market. Secondly, a brand that is looking to target homosexual consumers in mainstream advertising, should gain adequate insight into the secondary heterosexual market to which the brand also appeals. With regard to tolerance to homosexuality, the sample was seen as tolerant to homosexuality, therefore brands that target the educated youth have more freedom in illustrating homosexuality in their advertising campaigns. On the other hand, if a brand's target market is less educated, marketers could face negative effects that can result in the risk of heterosexual consumers switching brands.

Female homosexual imagery is more acceptable to heterosexual consumers, and this should be borne in mind when trying to gain insight into a brand's market. By doing so, the brand will target all sexual orientations in a mutually beneficial manner. As a result, marketers should minimise the use of male intimacy in their campaigns. The findings provide evidence that this could lead to negative attitudes and lower levels of purchase intentions among the heterosexual consumer. Using high levels of homosexual intimacy in campaigns should be used with caution, since the South African young adult population's readiness to engage with such homosexual advertisements is underdeveloped. With this in mind, the product sector influences the successfulness of such a marketing campaign. As uncovered by this research, marketers

should rather use this strategy in the technology sector than in the fashion sector.

CONTRIBUTIONS OF THE STUDY

The contribution of this study is twofold: theoretical and practical. This research adds to literature in gender studies, youth studies, and branding within an African context. Marketers need to understand the youth because future consumers are paramount and this research provides insights into the educated youth population of Johannesburg. This study can be used in targeting homosexual consumers and can be further applied to successfully implementing other kinds of risqué advertising techniques to build brand awareness and to differentiate themselves from their competitors.

Given this shift in consumer mind-sets leads to practical contributions. With careful analysis of a brand's target market composition, specific sexual orientations can be targeted, allowing a brand to dispense with marketing campaigns and reap mutually beneficial returns in terms of an increase in market share and brand equity.

LIMITATIONS OF THE STUDY

Intimacy, gender, and product sector were not tested directly in the questionnaire. This resulted in the inability to develop results for each construct in isolation. It is advised that future research considers each construct in isolation. Furthermore, analysing the differences in environments can provide more insight into different consumer groups with regard to external factors. This research's failure to do so has resulted in weak generalisability.

CONCLUSION

In conclusion, the use of homosexual models in mainstream advertising should be implemented with care among certain demographic groups. This study successfully investigated the influence that a consumer's tolerance to homosexuality has on their attitudes towards homosexual advertisements (varying in the level of intimacy, gender, and

product sector) and its influence on purchase intention.

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APPENDIX A

A DESCRIPTION OF THE ADVERTISEMENTS USED IN THE STUDY

Advertisement Number	Description of Advertisement
1	Low levels of intimacy between females for the fashion category
2	Low levels of intimacy between males for the fashion category
3	High levels of intimacy between females for the fashion category
4	High levels of intimacy between males for the fashion category
5	Low levels of intimacy between females for the technological category
6	Low levels of intimacy between males for the technological category
7	High levels of intimacy between females for the technological category
8	High levels of intimacy between males for the technological category

Corporate social responsibility in buyer-supplier relationships: Is it beneficial for top-tier suppliers to market their capability to ensure a responsible supply chain?

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ABSTRACT

This study assesses how top-tier suppliers market their capabilities to ensure a responsible upstream supply chain to their downstream buyers, and how the marketing of corporate social responsibility (CSR)-related supply management practices affects the reputation of top-tier suppliers in business-to-business (B2B) markets. In a cross-functional multiple-case study involving marketing, purchasing, and sustainability executives of five supplier organizations in Central Europe, we explored four distinct approaches for marketing superior CSR management abilities in B2B markets that potentially foster long-term comparative advantages: (1) Fact-based communication of measurable CSR capabilities, (2) targeting of indirect customers and influencers, (3) marketing through education, and (4) marketing of CSR as a service. Moreover, our inductive results provide evidence that the effective marketing of CSR capabilities enhances a supplier's reputation only if it sends consistent signals to the market. Therefore, a close integration of marketing and purchasing is crucial for achieving signaling consistency. Building on an established framework of purchasing-marketing integration in the particular context of CSR we developed a cross-functional theory on the link between marketing, supply chain alignment and reputation, which is expressed in four sets of testable research propositions.

Keywords: Business markets, case study research, corporate social responsibility, cross-functional research, marketing, supply chain management, supply management

Corporate social responsibility (CSR) research increasingly focuses on the link between CSR-related business practices and corporate reputation (e.g., Husted and De Jesus Salazar

2006; Janney and Gove 2011; McWilliams, Siegel, and Wright 2006). In this context, scholars argued that social or environmental misconduct is not necessarily detrimental to an

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organization, as long as the firm does not purposely cause misconduct and promptly rectifies the wrongdoing (Campbell 2007). But what if the wrongdoing occurs not at the globally recognized brand, but at a supplier or a sub-supplier in its supply chain? And what if the brand owner is held accountable for supplier misconduct?

Only recently, companies such as Mattel and the German school-catering firm Sodexo have been held responsible for supplier misconduct in the upstream supply chain outside of their direct hierarchical control. In Mattel's case, millions of toys had to be recalled because independent Chinese vendors manufactured them using lead paint (Lee, Tseng, and Hoyt 2008; Tang 2008). In the case of Sodexo, contaminated frozen strawberries from a Chinese sub-supplier caused an E. coli outbreak among nearly 11,000 German pupils. Also in this case Sodexo's vendors and contractors played a crucial role prior to the incident, as the contamination was caused by a Chinese sub-supplier that presumably did not adhere to agreed hygiene standards (FAZ 2012). Both cases of supplier misconduct had a significant negative impact on the companies' reputations and led to declining sales figures. The examples of Mattel and Sodexo reveal the critical role of suppliers in ensuring responsibility along the supply chain. Formerly rather invisible to end-consumers, suppliers are now exposed to constant surveillance by well-informed, sustainability-conscious end-consumers (Auger, Devinney, Louviere, and Burke 2010), non-governmental organizations (NGOs), and other interest groups, and therefore directly influence their buyers' reputation through their behavior. This effect intensifies as, for instance, NGOs increasingly direct their CSR pressure on the supply chains of the firms with the dominant brand name (Amaeshi, Osuji, and Nnodim 2008).

This study focuses on suppliers in a competitive supply chain setting and their business behavior in the context of increasing external CSR pressure. We concentrate on one particular group of suppliers, top-tier suppliers, which are closest to the manufacturer of the final product and which often manage large parts of their buyer's upstream supply chain (Kamath and Liker 1994). Buying firms – which in the context of

this research are defined as firms that manufacture and market the final branded product and that have mainly strategic relationships with their top-tier suppliers – cannot devote infinite resources to control the operations within their network of upstream suppliers and sub-suppliers. As a consequence, top-tier suppliers often advance to “CSR gatekeepers” for their buyers, which can prevent them from reputational harm through misconduct at the supply chain level due to their closeness to component and raw-material suppliers (sub-suppliers) and their deeper knowledge of the underlying processes (Lee and Klassen 2008; Wolf 2011). Despite their critical role as enablers of a responsible supply chain, top-tier suppliers confront changing business conditions. Due to an increasing number of publically reported cases of social or environmental misconduct and heightened public interest in a company's ethical behavior, buying firms increasingly re-evaluate and revisit their existing supplier base against CSR-related measures (Carter and Rogers 2008; Tate, Ellram, and Kirchhoff 2010). For top-tier suppliers, this development means both challenges and opportunities. The challenging part is that top-tier suppliers confront new business requirements related to CSR, such as certification and compliance requirements, or proof of CSR related business practices even beyond their own corporate boundaries, from both existing buyers and potential new customers. From an opportunity perspective, the buyer-sided revisit of the supplier base may break up existing buyer-supplier structures and generate additional business opportunities for those top-tier suppliers that, all other things being equal, can convince the market of their superior capability to ensure a responsible upstream supply chain. However, top-tier suppliers need to avoid purposefully overstating their own CSR capabilities, a practice often referred to as “greenwashing,” which might harm the supplier's trustworthiness. A positive reputation towards CSR in this context can equip top-tier suppliers with a competitive advantage in their respective customer markets (McWilliams, Siegel, and Wright 2006). First, it enhances the probability of winning additional business in the case that potential buyers, who are not yet customers of the supplier, are looking for alternatives with a CSR-ensuring capability. Second, it can help

to retain existing business when a buying firm reassesses its existing supplier base with regards to CSR.

However, in order to actually achieve the mentioned benefits, a top-tier supplier would need to fulfil two conditions: First, it must be capable of actually ensuring a responsible upstream supply chain through respective CSR-related business practices in its purchasing operations (as the purchasing function usually manages a company's upstream supply chain). Second, it would need to make existing and potential buyers aware of its supply chain-oriented CSR capabilities through proper marketing and communication of existing capabilities (a task usually performed by the sales and marketing function). As the subject matter of the study affects both purchasing and marketing practices, we investigate the CSR-related business operations within both functions, as well as their integration. A close integration of purchasing and marketing is critical for ensuring that buyer-induced CSR requirements are reflected in the supplier's upstream supply chain, as well for adequately communicating the supplier's CSR-related supply chain capabilities to the market (Sheth, Sharma, and Iyer 2009). Even though this study focuses primarily on the integration between purchasing and marketing, the collaboration with other central corporate functions such as CSR or environmental health and safety additionally helps to integrate the supplier perspective with the customer perspective of the top-tier supplier. While the practices for managing CSR in the upstream supply chain have been widely discussed in the extant purchasing and supply management literature (e.g., Pagell and Wu 2009; Paulraj 2011), the questions of (1) how top-tier suppliers use supply chain-oriented CSR management capabilities for marketing purposes and (2) how in particular top-tier suppliers manage the cross-functional integration of the purchasing and the marketing function, remain rather unexplored in extant supply chain management (SCM) and marketing literature. Specifically, to date it is not clear through which practices and concepts top-tier suppliers market their ability to ensure a responsible supply chain and how such efforts affect the top-tier supplier's reputation.

This study aims to answer these questions by exploring distinct concepts through which top-tier suppliers market superior CSR-related SCM capabilities, and the role of the purchasing-marketing integration in these concepts. Given the sparse literature on the subject and the infancy of academic research on CSR along the supply chain (McWilliams, Siegel, and Wright 2006) we opted for an exploratory case study research design based on a multiple-case study of five top-tier suppliers within the European Union. Thereupon, we contribute to the extant CSR literature in several ways: First, we aim to extend existing theory on purchasing-marketing integration and reputation by adapting an established theoretical framework on the cross-functional integration of marketing and purchasing developed by Sheth, Sharma, and Iyer (2009), which also serves as the conceptual basis for structuring the case study findings, to the particular context of CSR and its link to reputation. Second, we explore distinct concepts for marketing superior CSR-related SCM capabilities in a B2B context. Third, we develop theoretical propositions related to the link between CSR-related business practices and reputation based on the assumptions of signaling theory (Cornelissen, Haslam, and Balmer 2007; Rao 1994). The remainder of this article is structured as follows: First, we review the relevant literature in the disciplines of general management, SCM, and marketing. Next, we present the conceptual framework for the study, as well as our research method. Third, we explore the top-tier suppliers' concepts for marketing a CSR-oriented SCM capability in a B2B context and inductively derive theoretical propositions on the CSR-reputation link. We conclude with implications, limitations, and areas for further research.

LITERATURE REVIEW

A cross-functional perspective on corporate social responsibility

In academia corporate social responsibility (CSR) has developed into an omnipresent topic over the years. A broad body of literature evolved around different aspects of responsible corporate behavior focusing on various corporate functions and academic disciplines such as management, marketing or

supply chain management (cf., Closs, Speier, and Meacham 2011; McWilliams and Siegel 2001; Seuring and Mueller 2008). The concept of corporate social responsibility (CSR) is characterized by a broad variety of definitions (McWilliams and Siegel 2001) within and across research disciplines and has morphed significantly. In his research, Carroll (1999) referred to numerous definitions of CSR and the development of the term over time. In the context of this study, we define CSR as “situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams and Siegel 2001:117). By applying this definition to our research context, we refer to a broader conceptualization of CSR that considers a firm’s actions rather than its underlying motivation to engage in CSR (Lockett, Moon, and Visser 2006; Janney and Gove 2011).

In addition to the social dimension explicit in the term CSR, the environmental and economic dimensions of corporate activity factor into our notion of CSR. Hence, we follow the concept of the triple bottom line (Elkington 1998), which highlights the need for managers and their firms to focus concurrently on the social, environmental, and economic impact of corporate activity (Henriques and Richardson 2004; Van Tulder and Van der Zwart 2006). The triple bottom line appears in the research disciplines of marketing (e.g., Closs, Speier, and Meacham 2011; Hult 2011; Hunt 2011) and SCM (e.g., Carter and Easton 2011; Pagell and Wu 2009; Tate, Ellram, and Kirchoff 2010) as a widely used concept among managers and scholars. Thus, in this paper we use the term CSR synonymously for similar concepts such as sustainability (cf., Hult 2011) or corporate responsibility (cf., Campbell 2007). Moreover, we concur with the notion that companies act responsibly when “they do not knowingly do anything that could harm their stakeholders” and that “they [...] rectify it whenever the harm is discovered and brought to their attention” (Campbell 2007:951). However, in buyer-supplier relationships the buying firm has incomplete information about its supplier’s operations and hence must rely on top-tier supplier capabilities to ensure a responsible upstream supply chain (Spence and Bourlakis

2009).

At the level of the top-tier supplier’s own organization, the purchasing function manages the upstream supply chain, a function that scholars have only recently recognized as strategic (e.g., Gadde and Hakanson 2001; Monczka, Trent, and Handfield 2005). With CSR’s emergence as a prominent topic in the SCM discipline, a number of scholars have investigated the role of purchasing in the context of a responsible, or sustainable, supply chain (e.g., Carter and Jennings 2004; Hollos, Blome, and Foerstl 2012; Leppelt, Foerstl, Reuter, and Hartmann 2011; Tate, Ellram, and Kirchoff 2010), a major area of future SCM research (Schoenherr, Modi, Benton, Carter, Choi, Larson, Leenders, Mabert, Narasimhan, and Wagner 2012). On the business practice level, Paulraj (2011) pointed to the critical role of a firm’s purchasing function, which selects and manages the sub-suppliers. A company’s purchasing practices are, therefore, critical to its own as well as its buyer’s reputation, as the sub-suppliers’ environmental and social behavior in turn reflects on their downstream customers.

Responsible purchasing practices and their market appreciation

So why would top-tier suppliers market their ability to ensure a responsible upstream supply chain to their downstream buyers as well as to potential buyers on the business market? Which marketing practices would they apply, given that top-tier suppliers act in a B2B context, and how would these CSR-related marketing practices differ from CSR-related marketing in a business-to-consumer context? To date, marketing literature is still vague in answering these questions, as a significant portion of CSR-related marketing literature refers to consumer marketing rather than to B2B, business, or industrial marketing (e.g., Carrington, Neville, and Whitwell 2010; Luchs, Naylor, Irwin, and Raghunathan 2010). In a B2B context, authors such as Mudambi (2002) or Balmer and Greyser (2006) argued that firms in business markets usually encounter professional buyers that emphasize tangible attributes such as a supplier’s financial strength, technical expertise, and production processes, rather than intangible attributes such as image, brand identification,

or emotional satisfaction. In this context CSR is regarded as an intangible attribute, though it contributes to a company's credibility, and may serve as an enabler of trustful business relationships.

This study aims at exploring distinct concepts for marketing CSR-related SCM capabilities in a B2B context, as research is still ambiguous on whether supply chain-oriented CSR capabilities can be considered an order winner (Hill 1985) or an order qualifier – that is, a necessary condition to compete in the business market. Scholars of industrial marketing argued that attributes such as a positive CSR perception or ethical behavior are regarded as necessary prerequisites for potential B2B business partners (e.g., Mudambi 2002). In this context, the marketing of supply chain-oriented CSR management capabilities would be nothing more than making existing and potential buyers aware of the top-tier supplier's compliance with particular business requirements. On the other hand, some authors in the management discipline highlighted the strategic relevance of sending positive and consistent CSR signals to the market as a means for differentiation (e.g., Hart 1995; McWilliams, Siegel, and Wright 2006). Yet how companies seek to generate a positive reputation based on their supply chain-oriented CSR practices remains unexplored.

Marketing of supply chain-oriented CSR capabilities and firm reputation

Given that a top-tier supplier deploys superior CSR-related SCM capabilities that target both suppliers and buyers, how would such practices affect a supplier's reputation? Overall, there is still “a limited understanding about the consequences of a buying firm's perception of a supplier's reputation in an SCM context” (Wagner, Coley, and Lindemann 2011: 2). In the context of CSR, some researchers noted that CSR initiatives positively affect a firm's corporate identity and that the assurance of a responsible upstream supply chain positively impacts its reputation as a reliable business partner (Brickson 2007; Cornelissen, Haslam, and Balmer 2007). Reputation itself is considered an intangible asset and is defined as the buyer's perception of the supplier in terms of fairness, honesty, and concern about the buying firm (Ganesan

1994; Wagner, Coley, and Lindemann 2011). As an intangible asset, reputation can be a source of competitive advantage (Hansen, Samuelson, and Silseth 2008), resulting in reduced uncertainty in buyer-supplier relationships (Rindova, Williamson, Petkova, and Sever 2005) and leading to superior financial performance (Eberl and Schwaiger 2005).

In order to explain the effects of a firm's actions and business practices on its reputation, management and marketing scholars only recently applied signaling theory (e.g., Ndofor and Levitas 2004; Connelly, Ketchen, and Slater 2011), and in particular used its established link to the concept of reputation. Signaling theory states that reputation emerges from the accumulation of positive and negative signals, with positive signals enhancing the firm's reputation and negative signals harming it (Rao 1994). Consistent signals create a stable corporate identity, which is positively recognized by customers and therefore enhances reputation (Cornelissen, Haslam, and Balmer 2007). Extended to the context of CSR in supplier-buyer relationships, reputation also includes the buyer's perception of the supplier's ethical behavior (Mudambi 2002). Janney and Gove (2011) only recently used signaling theory to link CSR-related practices with reputation. They argued that a positive reputation for CSR is critical for a positive link between CSR and performance, and that an enhanced overall reputation for CSR can buffer firms from scandal revelations.

However, firms might overstate their own capabilities if they appear more committed to CSR than they actually are (Harrison and Freeman 1999). To shield themselves from a greenwashing accusation, firms apply tangible mechanisms such as certifications of or investments in responsible purchasing practices to signal controllable CSR credentials to their corporate clients (Connelly, Ketchen, and Slater 2011).

From the receiver's perspective, the effectiveness of signaling efforts also depends on the importance of CSR to buyers or investors, as these stakeholders need to be interested in CSR in order to recognize related signals (Jones, Clarke-Hill, Comfort, and

Hillier 2008; Schueth 2003). Within our study, signaling theory serves one particular purpose: During the inductive analysis, it serves as the theoretical link between the buyer- and supplier-oriented business practices – which either send positive signals or aim to avoid negative signals – and the effect of these practices on corporate reputation. Hence, we use signaling theory as a proxy for predicting the reputational effects of CSR-oriented supply chain practices.

CONCEPTUAL FRAMEWORK FOR INTEGRATING PURCHASING AND MARKETING

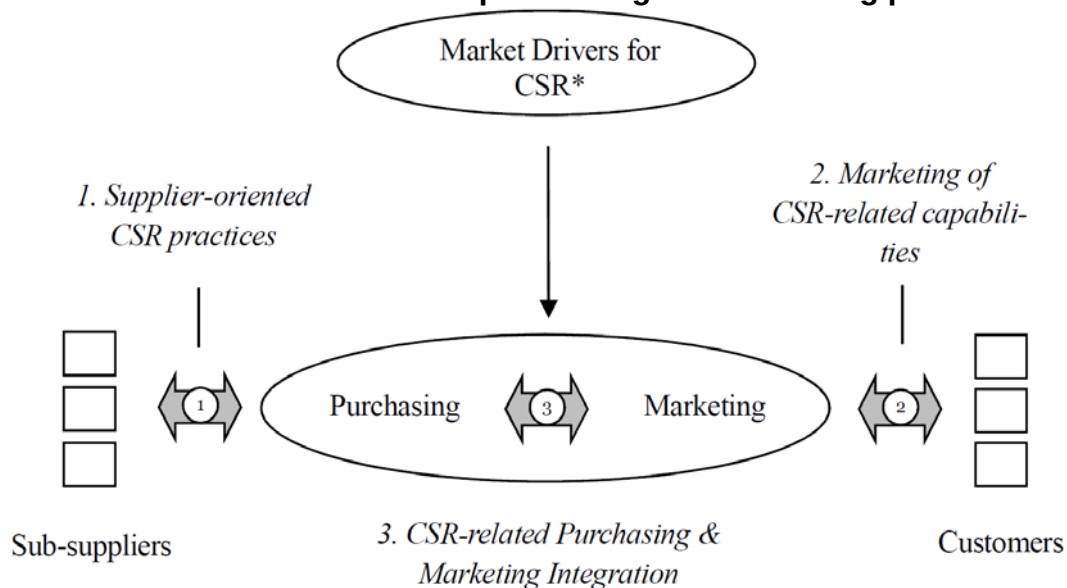
In B2B research, scholars noted that the close integration of marketing and purchasing may contribute to firm performance in network-based competition such as a competitive supply chain setting (Williams, Giunipero, and Henthorne 1994). A recent empirical study on marketing-purchasing integration in B2B markets concluded that a close collaboration between both functions positively affects business performance (Smirnova, Henneberg, Ashnai, Naudé, and Mouzas 2011). Purchasing-marketing integration can,

therefore, be conceptualized as a part of a firm's market-sensing capabilities (Day 1994; Foley and Fahy 2004), such as its “ability to identify potential opportunities and align the firm's activities with capabilities and resources of upstream (supplier) and downstream (customer) partners in the market” (Smirnova, Henneberg, Ashnai, Naudé, and Mouzas 2011: 56).

Nevertheless, research that combines the purchasing and the marketing perspective against the background of corporate social responsibility (CSR) has been sparse.

Scholars have therefore only recently called for more CSR research that combines marketing with SCM (e.g., Carter and Easton 2011; Closs, Speier, and Meacham 2011). In order to develop theory on the integration of purchasing and marketing practices in the context of CSR, as well as on the effects of these practices on reputation, the framework of Sheth, Sharma, and Iyer (2009) is extended and modified to our research scope. The original framework is based on the notion that suppliers benefit if their upstream purchasing strategies align with customer demands (Aitken, Childerhouse, and Towill 2003; Childerhouse, Aitken, and Towill 2002), and

FIGURE 1:
Theoretical framework for the cross-functional investigation of an industrial firm's CSR-related purchasing and marketing practices



* The most prominent market drivers for CSR among others are globalization and cultural differences, liberalization of markets, demand for sustainability from multiple stakeholder groups such as customers, shareholders, or governments as well as nongovernmental organizations.

Source: Modified from Sheth, Sharma, and Iyer 2009

that closer buyer-supplier relationships requires a closer integration of the two functions managing the external interface (suppliers and customers) with the internal value chain (see Appendix IV).

On the bottom-left side of the framework, Supplier-oriented CSR practices (No. 1) represent CSR-related business practices in the areas of supplier identification, supplier collaboration, and supplier evaluation (Paulraj 2011), such as codes of conduct, environmental or social auditing processes, or CSR-related supplier risk assessments. In addition to preventing social or environmental misconduct, supplier-oriented CSR initiatives also support the early detection and elimination of CSR-related incidents.

Bottom-right in the framework, the Marketing of CSR-related capabilities (No. 2) accumulates practices in the areas of market sensing, positioning, communication, and branding (Day 1994; Foley and Fahy 2004; Srivastava, Shervani, and Fahey 1999), which are used to sense the buyers' individual needs and requirements related to their suppliers' CSR capabilities, and to adequately promote the top-tier suppliers' existing capabilities to existing buyers and the business market. Finally, the dimension CSR related Purchasing & Marketing Integration (No.3) in the center of the framework incorporates practices that enable suppliers to cross-functionally align their CSR-related marketing and purchasing activities in order to present a consistent external picture with regards to CSR. Through the course of the study, the adapted model from Sheth, Sharma, and Iyer (2009) will serve as the conceptual basis for analyzing and interpreting our empirical results.

RESEARCH METHOD

In our research we apply a multiple-case study approach for several reasons: First, our review of extant literature revealed a limited understanding of how firms in a B2B context market supply chain-oriented capabilities for managing corporate social responsibility (CSR), and how respective business practices substantiate an enhanced corporate reputation. In such a nascent stage of research, case studies provide a strong means for exploration and theory development purposes, in particular

if related constructs are rare and relationships among them are still ambiguously defined (Lee and Klassen 2008). Second, the use of case studies is a method of choice for studying complex phenomena and generating managerial-relevant knowledge (Boyer and Swink 2008; Gibbert, Ruigrok, and Wicki 2008). Finally, case study research allows the researcher to interact with the informant and draw on multiple sources of information, leading to information-rich cases (Yin 2009) and hence minimizing the social desirability bias inherent in the CSR topic (Crane 1999). In order to mitigate the shortcomings of case study research compared to more formalized methods, such as quantitative theory testing approaches (Adams, Day, and Dougherty 1998; Yin 2009), we systematically developed a research framework to follow at all stages of our research process. Moreover, the use of multiple data sources to evaluate a single phenomenon enables data triangulation and aims to elude the social desirability bias inherent in the sustainability topic (Crane 1999).

Case selection and sampling

Following a theoretical sampling approach, key decisions were made in order to set the boundaries for the population of this research (Yin 2009). The case selection followed a structured process to maximize the richness of information and minimize the number of cases necessary for comprehensive insights (Perry 1998). In order to lessen extraneous variations and to ensure external validity (Wilson and Vlosky 1997), we limited the population to firms from developed countries within the European Union as we assumed homogeneous antecedents for the development of CSR-related business practices, similar environmental and social regulations, and similar cost structures within this region. In particular, our case firms originate from Austria, Germany, and Sweden. As the study focuses on top-tier suppliers and their role in managing upstream sub-suppliers towards responsibility, we chose industries in which a major share of value is added beyond top-tier suppliers at the sub-supplier level. We selected packaging and industrial electronics as industries of choice for several reasons: First, we assumed that a research design which covers more than one industry might provide a broader spectrum of supply chain-related CSR

practices (Pagell and Wu 2009; Wu and Choi 2005), in order to generalize our results. Second, in both industries firms deliver a limited range of products to a broad range of customers across various countries and industries, which indicate that these suppliers confront a broad range of CSR-related customer demands. Finally, the two selected industries have been the subject of various academic contributions in the context of CSR exploring the use of wood as input material, environmental issues through the use of hazardous materials, as well as social issues related to production processes (Bone and Corey 2000; Kourula 2010; Smith, Sonnenfeld, and Pellow 2006).

Moreover, we narrowed the sampling frame to top-tier suppliers (first tier, second tier) that manage a multitier upstream supply chain for their customers even though it is clear from a practical perspective that, due to resource constraints and upstream supply chain complexity, the active management of suppliers is usually limited to the direct supplier stage. Managing the CSR of sub-suppliers is limited to notable exceptions. Since CSR-related business practices are more elaborate in large organizations (Lee and Klassen 2008), we considered the leading firms in the two industries by size and revenue (Howard, Nash, and Ehrenfeld 1999).

In this sampling frame, we identified top tiers with a reputation for practicing CSR along the supply chain based on independent sources such as sustainability indices (e.g., FTSE4Good, Dow Jones Sustainability Index), business press articles, and NGO reports, as suggested by Pagell and Wu (2009).

Based on these criteria, we approached the relevant top-tier suppliers in the selected business markets through a standardized invitation letter and followed up through emails and phone calls. We added additional cases too our sample until theoretical saturation was reached, as further cases and insights into their business practices would have added only marginal insights (Strauss and Corbin 1998). Overall, we obtained a sample of nine cases, of which the five best-practice cases are presented in this paper.

For selecting the best-practice cases, we applied the “crucial case” method (cf., Gerring 2006), which aims to detect those cases in which a predicted outcome – in the context of this research, the identification of best practices in CSR-related marketing and supply management practices – is most likely to occur. After a thorough analysis of all nine case firms, we selected the cases that demonstrated the greatest maturity in their CSR-related business practices in order to strengthen our contribution through reporting on best practices only. For instance, one case was removed since this top-tier supplier’s CSR engagement was mainly driven by the regulatory requirements of one of its major customers, while in another case it appeared that despite the supplier’s frequent recognition for responsibility, CSR was not explicitly considered in its marketing or purchasing practices. Even though the “crucial case” selection is subject to bias, this “selection bias” is on the other hand necessary when identifying best practices. Since our research focuses on the alignment of an industrial firm’s CSR marketing with its supply management practices, we chose the sales and marketing function as well as the supply management function as the units of analysis. Additionally, we regarded coordinating functions such as SCM or a CSR department, if present at the case firm. The characteristics of the participating top-tier suppliers are summarized in Table 1.

Data collection

Primary data were collected in two phases between December 2010 and October 2011. Initial expert interviews with primarily executive management representatives led to the identification of appropriate interview partners in the respective business functions to ensure valid and reliable information on the topic. We subsequently approached these identified executives via email and telephone calls. We chose respondents that have been or are currently involved in CSR-related projects or business practices and hence had an understanding of the CSR-related developments within their firm and the respective function.

TABLE 1:
Case characteristics (sorted by company size)

Firm	Industry	Size ^a /Ownership	Part of a group	Main products	Main customer markets ^b	Information job titles
A	Consumer packaging	8.5 / public	Yes	Packaging containers Filling systems Coated paperboard boxes	1. Food & beverage 2. Consumer goods 3. Food retailers	1. Manager Sales 2. Manager Sourcing & Procurement
B	Pulp & Paper / Packaging	5.0 / public	Yes	Uncoated fine paper Craftliner paper Corrugated & bags	1. Consumer goods 2. Paper merchants 3. Construction	1. Head of Sales ^c 2. Marketing / Sustainability Manager 3. Head of Procurement
C	Micro- electronics	3.0 / private	No	Process control devices Microprocessors Custom devices	1. Automotive 2. Power generation 3. Security	1. Director Sales / Market. 2. Director Purchasing 3. Vice President SCM 4. Director Sustainability
D	Industrial electronics	2.5 / public	Yes	Automation equipment Control equipment Building technologies	1. Power generation 2. Oil & gas 3. Pharma	1. General Manager / Head of Sales ^c 2. Head of Purchasing
E	Carton board & Packaging	3.0 / public	Yes	Carton boards Cartons Paper products	1. Tobacco 2. Consumer goods 3. Food & beverage	1. Head of Marketing 2. Head of Sourcing 3. Sustainability Manager

a) Annual revenue 2009 in billion Euros

b) Sorted by generated revenue

c) Telephone interview

In the first phase, we asked each participating firm to complete a brief questionnaire on basic data about the firm, its marketing and purchasing function, and the overall degree to which CSR is integrated in the organization and its functions. The questionnaire was divided into three sections (marketing and alignment, purchasing and alignment, CSR management descriptive), with each section completed by the appropriate candidates prior to the personal interviews. We then compared the questionnaire answers with openly available company documentation, such as sustainability reports or statements on the corporate website, in order to develop guiding and probe questions for the interview guide (Eisenhardt 1989; Perry 1998). Please refer to the appendix for the core questions of the semi-structured interviews.

In the second phase, we conducted semi-structured interviews with the previously identified informants based on the developed interview guide. The interviewed purchasing executives provided insights into the proficiency of their upstream CSR practices, while sales and marketing informants provided

insights into the downstream practices. Semi structured interviews lasted one to three hours, and each interviewer took minutes of answers and presented documents, which the authors compared and revised afterwards. Additionally, the interview protocol was sent to each interviewee to rule out any misunderstandings or misinterpretations. Overall, we conducted two to four interviews per case firm. The reliance on multiple respondents enabled us to cross-check responses and to avoid single informant bias. Moreover, we supplemented the data collection process with site visits and visits to public events at which the case companies presented themselves, such as trade fairs or symposia. We continuously kept track of our proceedings in a protocol to ensure reliability. Additionally, we developed structured sheets on which we recorded observations made at the company sites or at public events. We stored each observation from different data sources in a case database to enable structured analysis of these large amounts of data (Yin 2009). Please refer to Appendix II for further validity- and reliability-assuring measures undertaken throughout our research process.

RESULTS

The results section is divided into an explorative and an inductive part. In the exploratory analysis, we investigate how top-tier suppliers organize and market supply chain-oriented capabilities for managing corporate social responsibility (CSR) and how they integrate purchasing and marketing activities in this context. In particular, we explore the suppliers' business practices in the three dimensions of our research framework ([1] supplier-oriented CSR practices, [2] marketing of CSR practices, and [3] CSR-related purchasing & marketing integration). As the article's main focus is the exploration of distinct concepts for marketing CSR-related SCM practices, and the respective business practices for integrating marketing and purchasing, the exploratory analysis will devote more attention to the second and third dimension of the theoretical framework because the first dimension (Supplier-oriented CSR practices) has already been widely discussed in the extant SCM literature (Krause, Vachon, and Klassen 2009; Pagell and Wu 2009; Paulraj 2011). However, for comprehensiveness, we will also provide a brief overview of the identified business practices in this first dimension of the theoretical framework. To keep the results section succinct, we organized a significant portion of the data analysis into tables.

In the second part of the analysis, we inductively analyze how the explored practices in the three dimensions of the framework affect a top-tier supplier's reputation, leading to theoretical propositions on the marketing-reputation link in business markets, and ultimately to an adapted theoretical model on cross-functional integration in the context of CSR.

Exploratory analysis: Distinct concepts for marketing CSR

The exploratory analysis was conducted in two phases: a within-case analysis and a cross-case analysis. The within-case analysis aimed to reduce and manage the large amounts of data collected in order to make sense out of the obtained information and get acquainted with each case (Miles and Huberman 1994). In a first step, we tried to understand each case

firm's business model, market position, competitive environment, and buyer-sided demands in the context of CSR. For instance, Firm B, a leading paper and packaging supplier, is operating in a competitive commodity market with powerful buyers in one of its major target markets (food packaging). These buyers are themselves under enormous cost and CSR pressure and, therefore, are not willing to pay a premium for sustainably produced products. However, this group of buyers regularly confronts Firm B with explicit and ambitious targets related to a responsible upstream supply chain. Firm C, a semiconductor and microchip supplier, faces strict legal regulations related to production operations and input material, but its customers do not set particular CSR targets. Instead, they implicitly expect their top-tier suppliers to comply with social and environmental standards in their own and their sub-suppliers' business operations as a precondition for being considered as a potential business partner. Yet customers value the green product characteristics of their upstream suppliers. In a subsequent step, we identified each top-tier supplier's CSR-related purchasing and marketing activities and compared them with extant literature in order to detect novel practices. Moreover, we tried to identify the enablers and constraints that drive and limit each firm's CSR-related efforts and initiatives in order to better understand whether the individual approaches could be extended to other top-tier suppliers. Finally, the previous steps were condensed into a tabular display of the case firms' individual approaches to CSR in the upstream and downstream business practices (see Table 2).

The second phase, the cross-case analysis, aimed to identify patterns and commonalities across the case firms by reducing, structuring, and categorizing the available data into a standardized and comparable format (Miles and Huberman 1994; Yin 2009). Therefore, all field data were carefully reviewed in order to highlight important issues and patterns in the CSR-related supply chain practices across our sample firms. Moreover, the interviewees' statements about each framework dimension were organized into text files, and key quotations were noted (Patton 1990). The

TABLE 2:
Individual approaches of case firms towards CSR

Firm	Market conditions	Strategic approach towards CSR	Overall approach towards marketing CSR	Approach towards CSR in supply management	Perceived own and customer benefits from enhanced CSR-related supply chain capabilities
A	Commodity market; high regulations and CSR pressure from buyers and retailers	Company aims to be a thought leader with regards to CSR	Sophisticated marketing practices; sustainability is a major part of the corporate brand	Detached supply management organization with strict CSR regulations	Ability to steer retailer and producer specifications in the companies favor leads to sales growth; Assuring competition among sub-supplier leads to better prices in the medium term; safeguarding corporate image
B	Powerful retailers and paper merchants; suppliers lead CSR debate; high NGO pressure	CSR is a major pillar of the company's business strategy	Proactive communication of CSR efforts related to social and environmental responsibility	Rather reactive CSR approach and focus on certifications; particular emphasis on social responsibility	Enhanced greenness of processes and product ingredients reduces costs; product price differentiation based on CSR; customer responsiveness leads to customer loyalty; safeguarding of own and customers' corporate reputation
C	Customers demand innovation; oligopolistic market; compliance with ethical standards is regarded as a "table-stake"	Aims for CSR leadership; listed in sustainability index. Engagement in industry-wide initiatives	Focus on sustainability related product features and less emphasis on marketing of CSR-related business practices	Integrated CSR concept for entire upstream supply chain; supplier risk assessments and development to CSR	Differentiation through sustainable product development; safeguard and enhance relations and order volume with existing customers; higher prices for green products lead to higher margins while marketing seeks sales growth simultaneously
D	Large, long-term industrial projects; focus on innovation, quality and environmental CSR	Corporate compliance initiative covering social / environmental responsibility	Promotion of sustainability-related product features, focus on environmental innovations	Recently started green supply chain initiative, focus on compliance and supplier risk	Higher customer loyalty as a result of a close project based collaboration; ability to charge slightly higher prices for green product innovations; safeguarding corporate image and reputation
E	Customers set high CSR targets; Europe is short of certified wood and recycled carton board	Environmental responsibility is the firm's main factor for differentiation	Markets the cost advantage of environmental sustainability, highlights thought leadership in environmental innovation	Focus on supplier certification. Relevant certification relies on "chain-of-custody" principle	Enhanced customer satisfaction from high service perception; transparency and the customers' responsiveness are enhanced; safeguarding of own and customers' corporate reputation; Efficiency product differentiation based on customers' CSR demands.

cross-case analysis followed a two-step approach: (1) the coding of interviews and condensing to business practices, and (2) the assignment of individual business practices to new concepts. Once all primary and secondary data were collected, we started our open coding procedures in order to structure the information provided by the five case companies.

Beginning with the first case, the same procedures were repeated for the four other cases. Subsequently, key business practices were assigned to the dimensions of our research framework by the same two authors. A practice could be assigned to the same or to a different category, which leads us to a binary assessment. E.g., the practice 'Target group-

specific communication of CSR topics' was assigned to 'Customer-oriented CSR practices' but could also have been assigned to one of the other two dimensions. After the first coding round 86% (19/22) of the codes were assigned to the same construct by the two authors. In case of differing allocations of codes, the authors discussed their reasons for the assignment analyzed these reasons and came up with a mutually agreed assignment.

After the assignment of practices to the dimensions of the framework each author assigned axial codes per practice. This refers to the intensity with which these practices were pursued (Yes, No, Limited). This process was individually done by the same two authors leading to 82% (18/22) of inter-rater

agreement in the first coding round. The discrepancy on four codes was due to different interpretations of “Yes” and “Limited” as axial codes. Similar to the assignment of the business practices differing interpretations were addressed by discussion leading to mutual agreement on all 22 codes. The authors wrote down a formal comment to justify their change in assessment (Pagell 2004). After the individual firm profiles were obtained from this within-case coding, we conducted cross-case analysis and relied on tabular displays to detect differences and common patterns of upstream CSR processes across firms (Eisenhardt and Graebner 2007; Yin 2009).

In the same fashion as the coding of the business practices, we assigned the individual business practices to the four identified concepts for marketing SCM-related CSR practices. Also in this case, the same two authors mapped the practices to the four concepts individually.

After the first round of coding we achieved an 82% (27/33) match among the two authors. As a consequence, we evaluated differing interpretations and re-assigned the six ambiguously coded practices after mutual agreement was reached. This process led to the development of Table 4, which illustrates the newly identified cross-case practices related to the dimensions of our framework (Eisenhardt and Graebner 2007; Miles and Huberman 1994; Yin 2009).

Please refer to Appendix III for an illustration of those identified practices that previously appeared in the literature, eventually in a different context but not necessarily in a B2B supply chain context. In particular, the practices identified in the context of the first dimension of the research framework (Supplier-oriented CSR practices) match to great extent what has been previously identified in the SCM literature.

TABLE 3:
New practices not previously identified by literature on CSR

Element in framework	Business practice	Description	Associated cost (affected cost dimensions)
<i>Supplier-oriented CSR practices</i>	End-2-end process model	End-to-end process model for CSR-related supplier management	- Personnel Cost (Development) - Process Cost (Deployment)
	Selective control	Control of sub-suppliers' CSR compliance only in critical countries	- Personnel Cost (Auditors) - Process Cost (Deployment)
<i>Customer-oriented CSR practices</i>	Customer education	Education of customers in CSR-related topics	Personnel Cost (Research & Training)
	Customer dialogue	Open dialogue on CSR with existing buyers	Process Cost (Deployment of customer relationship processes)
	Research support	Support of CSR research initiatives	Funding of Research
	Usage of mass media	Placement of CSR-related advertisements targeting end consumers	Marketing Cost
	CSR in company slogan	Responsibility is key message of company slogan	Marketing Cost
	Additional product services	Information on product disposal delivered to buyers	- Marketing Cost - Process Cost
	Certification of communication	Certification of CSR communication according to a DIN ISO norm	- Certification Cost - Transformation Cost - Process Cost
	Benefit case provision	Product offers contain an ROI calculation for ecological innovations	- Personnel Cost - Process Cost (ROI calculation through R&D, Engineering)
	Challenging of customer requirements	Challenging customer's ecological requirements	No cost associated (Regular sales process)

TABLE 3 (CONTINUED):
New practices not previously identified by literature on CSR

Element in framework	Business practice	Description	Associated cost (affected cost dimensions)
<i>Customer-oriented CSR practices</i>	Gain-share contracts for CSR promotion	Gain-share contracts offered to buyers if investing in environmental innovations	▪ Opportunity cost ▪ Process cost (for calculation and maintenance of benefit case)
	Regulatory support	Support buyers in obtaining CSR-related certifications and in fulfilling regulatory requirements	▪ Personnel Cost (Support)
	Provision of market place	Online discussion board on responsibility for customers	▪ IT Cost ▪ Personnel Cost
<i>Marketing-Purchasing integration</i>	Full-time CSR managers	Employment of full-time sustainability/ CSR manager	▪ Personnel Cost
	Divisional CSR targets	Measurable corporate & divisional CSR targets	▪ No cost associated
	Corporate CSR teams	Deployment of a corporate sustainability/ CSR team	▪ Personnel Cost
	CSR-demand routing	Purchasing is driven by CSR-related demand forecasts from marketing	▪ IT Cost ▪ Process Cost
	Cross-functional CSR concepts	Cross-functional CSR concept for all steps of value chain	▪ Personnel Cost (set up concept)
	Assisted supplier evaluation	Sustainability/CSR department supports supplier evaluation	▪ Personnel Cost ▪ Process Cost ▪ IT Cost (if supported by system)
	Purchasing integration in product design	Cross-functional initiatives for sustainable product design	▪ Personnel Cost ▪ Transformation Cost
	Trend scouts for CSR	Deployment of scouts for gathering CSR-related market trends	▪ Personnel Cost

Table 3 illustrates those practices emerging from the cross-case analysis, which to the best of our knowledge have not yet been mentioned in the context of CSR and which are specific to upstream and downstream SCM and the purchasing and marketing functions' alignment. In order to combine these novel practices with the existing knowledge to larger concepts for marketing superior CSR-related SCM capabilities, we rearranged known and newly identified practices in an iterative process. We then created additional insights by looking for dimensional practices that are interlinked with practices from other dimensions. Thus, we subsequently combined these selected practices from all three dimensions in distinct concepts for marketing CSR-related SCM capabilities to downstream customers (see Table 4). For instance, in the first concept, Fact-based communication of measurable CSR capabilities, we linked buyer- and supplier-oriented CSR practices with

practices related to purchasing-marketing integration as this concept represents a truly cross-functional exercise. To successfully perform this practice, our case firms showed the existence of measurable supplier-oriented business practices that are in a subsequent step converted into adequate, target-group-specific marketing messages through a close collaboration between the two functions.

In summary, the grouping process of the structured cross-case business practices led to the identification of four distinct concepts for marketing CSR-related supply chain capabilities.

Concept 1: Fact-based communication of measurable CSR capabilities

All case firms demonstrated a high level of maturity in managing their upstream supply chain towards sustainability. Hence, they invested heavily into compliance concepts,

TABLE 4:
Concepts for marketing CSR derived from identified practices

Concept	Description	CSR-related business practices from Tables 4 and 5 contributing to each bundle
<i>Bundle 1: Fact-based communication of measurable CSR capabilities</i>	Company communicates measurable facts of its CSR-related business practices to the market	Purchasing: Traceability concept for determining the origin of raw material
		Purchasing: Defined processes in case of supplier misconduct
		Purchasing: Suppliers need to own CSR-related certifications
		Marketing: Promotion of CSR-related product features or product lines
		Marketing: Sustainability report covering the triple bottom line
		Marketing: Promotion of green product lines sold at higher prices
		Marketing: Research support
		Marketing: Certification of communication
		Integration: Divisional CSR targets
		Integration: CSR-demand routing
<i>Bundle 2: Targeting of indirect customers and influencer</i>	The top-tier supplier's marketing messages aim not only at direct customers such as buyers, but also target indirect stakeholders	Purchasing: Measurement of the supply chain's carbon footprint
		Marketing: Joint CSR initiatives with NGOs driven by marketing
		Marketing: Customer dialogue
		Marketing: Usage of mass media
		Marketing: CSR in company slogan
		Integration: Assisted supplier evaluation
		Integration: Trend scouts for CSR
<i>Bundle 3: Marketing through education</i>	Use thought leadership in CSR-related topics for customer education which in turn reflects on the suppliers' capabilities in this context	Marketing: CSR information at top of corporate website
		Marketing: CSR-related info material for external & internal use
		Marketing: Active positioning as CSR innovator
		Marketing: Customer education
		Marketing: Provision of market place
		Integration: Assisted supplier evaluation
		Integration: Education of workforce in CSR-related topics
<i>Bundle 4: Marketing of CSR as a service</i>	Use CSR-related capabilities in the sense of a business services and use value-adding CSR capabilities for supporting buyers	Purchasing: Development of suppliers towards CSR (e.g., certifications)
		Purchasing: Supplier risk management processes reflect CSR-related risks
		Marketing: Challenging customer's ecological requirements
		Marketing: Additional product services
		Marketing: Active positioning as CSR innovator
		Marketing: Benefit case provision
		Marketing: Regulatory support
		Integration: Purchasing integration in product design
		Integration: Cross-functional CSR concepts

measures, and controls, certification and audit processes, as well as IT systems in the last three to five years. Moreover, all case companies show a strong capability to ensure a responsible upstream supply chain and also received public recognition for these efforts.

For instance, Firm B was mentioned in several business press articles for its top ranking in a popular NGO's report on ecological and social supply chains. Nevertheless, we also discovered that the top-tier suppliers act carefully when communicating and marketing

their own CSR capabilities to the business market. As demands for responsibility vary significantly across customer segments, the top-tier suppliers in our sample demonstrated high sensitivity to the individual buyer-sided CSR requirements when deciding how to communicate their achievements publically. Overall, we found that in a B2B context CSR-related marketing is based on the careful promotion of measurable hard facts such as green product features, business processes, or certifications, rather than on image-building campaigns such as corporate giving or community involvement. CSR communication is thus closely tied to the regular business activities of the firms in our sample. As the reduction of reputational risk is one of the top-tier supplier's key sales messages when marketing CSR, many interviewees stated that the success of marketing CSR in B2B markets stems from their own ability to "walk their CSR talk." Thus, they must make sure that they are always able to prove their promoted CSR-related capabilities through measurable facts. A key enabler for realizing this fact-based CSR marketing approach is the cross-functional integration between marketing and purchasing. On the one hand, the sales side needs to be aware of supplier-oriented CSR management practices to provide a realistic picture to the buyer side. On the other hand, purchasing needs to be aware of the buyer-sided CSR demands in order to derive suitable measures for managing the supply chain towards clients' responsibility demands and specifications. As a result, all top-tier suppliers in our sample deploy a CSR manager or even a separate CSR function that centrally coordinates and aligns the organization's CSR-related activities. On the one hand, these central units support the purchasing function in identifying suitable practices for managing a responsible supply chain, such as CSR-oriented supplier selection criteria, audits, or written regulations for responsible purchasing. On the other hand, the CSR functions provide marketing with valuable hard facts from the supply chain level, such as currently followed supplier development initiatives or the percentage of certified sub-suppliers, which are subsequently converted into marketing messages. For instance, at Firm C, a sustainability department coordinates all external communication with regards to CSR while supporting marketing and purchasing

with CSR-related business concepts such as the prequalification of potential suppliers based on environmental and social criteria or CSR-related risk assessments of sub-suppliers. At Firm A the sustainability function only recently started to support marketing in certifying its CSR-related communication strategy according to a DIN ISO norm, which regulates the publication of sustainability-related activities and achievements, in order to prevent the accusation of greenwashing.

Concept 2: Targeting of indirect customers and influencers

The second bundle of practices is related to the concept of targeting indirect customers with their CSR initiatives. In our analysis we observed that a number of buyer-oriented business practices, such as joint initiatives with NGOs, TV ads, or a company slogan that suggest responsible business behavior, do not directly target existing or potential buyers. Instead, they target other external stakeholders such as NGOs, end-consumers, retailers, or legal authorities. The data revealed that for top-tier suppliers CSR-related requirements do not necessarily originate from their direct buyers but from other external stakeholders such as end-consumers, retailers, NGOs, or legal authorities. The direct customers simply pass these requirements on to their top-tier suppliers. Hence, the top-tier suppliers developed internal capabilities to actually sense these requirements by trying to understand the needs of not only direct buyers but also of other players downstream the supply chain. The top-tier suppliers in our sample tackle this latent CSR demand through proactive management of the respective requirements and by considering them in the development of their CSR-related business practices. They even go one step beyond and apply marketing practices that actually target the needs of their customers' customers, a concept that to the best of our knowledge is novel in the context of CSR and business markets. For instance, Firm A, a food- and beverage-packaging supplier, places TV commercials to educate end-consumers about ecologically friendly behavior and waste management, and thus indirectly promotes the benefits of sustainable packaging. Notably, Firm A's direct customers are actually located two levels further upstream the supply chain, with retailers and food producers in between.

In a similar vein, but using a slightly different strategy, Firm D, an industrial electronics supplier, markets its innovative approach for managing sub-supplier induced CSR risk to a legal institution that evaluates the social and environmental impact of industrial equipment actually delivered by Firm D's customers.

Overall, the concept of targeting indirect customers and other influencers demonstrates a high level of sophistication in effectively marketing CSR in B2B markets and underpins the top-tier suppliers' deep understanding of CSR-related mechanisms in buyer-supplier relationships. Also in the case of this particular concept, the integration of marketing with other business functions is a key for converting indirect customer demands into respective upstream business practices. For instance, in the case of Firm C, the central sustainability department coordinates all activities of the individual business functions and regularly initiates cross-functional projects in order to develop such complex indirect CSR marketing approaches.

Concept 3: Marketing through education

Throughout the analysis it appeared that the top-tier suppliers in our sample invested heavily in thought leadership related to CSR in general and in responsible SCM in particular. For instance, Firm A and Firm B support various research initiatives on responsible SCM. Moreover, Firm E sets up and administers an online discussion board on responsibility in SCM in which Firm E's experts support existing buyers as well as representatives from other companies in CSR-related questions and provide practical hints on CSR management in business markets. Firm E also regularly organizes seminars and roundtables on CSR to educate its buyers and other market participants on these topics. From a marketing perspective, the top-tier suppliers use these education approaches for demonstrating their awareness of and capabilities in CSR. The respondents in our sample stated that even though CSR-related pressure mainly originates from the buyer side, these claims are often of an abstract nature, and in many cases it is the supplier's task to convert this abstract demand into adequate business practices, which indicates that top-tier suppliers seem to lead this debate. For instance, Firm A's manager sourcing and

procurement notes in this context: "We consider ourselves as a leading company in terms of sustainability-related knowledge and, therefore, educate our customers and even retailers in this field by suggesting possible solutions for acting responsibly. Hence, we remain active regarding this topic and avoid situations in which we have to react to unexpected demands." Firm A's sales manager confirms: "We have a first-mover advantage in terms of sustainability. Therefore, we are able to deliberately motivate the sustainability agenda of end-consumers and buyers at an early stage. Our internal and external education initiatives help us to shape the market, enabling us to remain in the driver's seat."

In sum, it appears that top-tier suppliers strategically use their CSR-related knowledge advantage for marketing purposes. Apart from the positioning effect, this concept also enables top-tier suppliers to indirectly influence their buyers' CSR agendas, for example, by highlighting particular facets of CSR that match with the supplier's offering portfolio. Again, a major antecedent for this concept is a close collaboration between the marketing and purchasing functions, as the knowledge on managing the existing upstream supply chain towards responsibility is mainly concentrated in the top-tier supplier's purchasing department, which selects, manages, and develops the downstream suppliers.

Concept 4: Marketing of CSR as a service

The fourth distinct concept in CSR-related marketing is the marketing of upstream CSR capabilities as an additional service to customers. The top-tier suppliers in our sample use their market-sensing capabilities to assess their customers' individual CSR needs, then transform these needs into own operations, and finally market this capability as CSR services. For instance, Firm D, the industrial electronics equipment supplier that is often involved in large-scale engineering projects, offers to leverage its experience in certifying sub-suppliers to support buyers in certifying their plants according to established environmental standards. As CSR-related certifications often rely on a chain-of-custody principle, which means that every stage of the supply chain including the raw material supplier needs to be

certified according to the same standard, the top-tier suppliers Firm B and Firm E meanwhile often take over large portions of this certification process for their buyers. Through this add-on service, which is associated with own investments and direct costs, top-tier suppliers safeguard their competitive position in the supply chain since this offering also creates some buyer dependence on the top-tier supplier.

Overall, such a service-dominant logic, as already established in the context of SCM (cf., Lusch 2011) and which has also been discussed in the context of cross-functional processes related to marketing (Lambert and García-Dastugue 2006), is novel in the context of CSR, in particular when considering that a few levels upstream the supply chain external CSR pressure is converted into value-creating services for downstream business partners. These CSR-related business practices require an even closer integration of the marketing function with other business functions. However, in the case of a CSR service related to the upstream supply chain, such as CSR-related supplier risk assessments, the purchasing function ultimately executes the related business practices and therefore needs to be well aware of the buyer-sided requirements and expectations. Even though our study, due to its explorative design, cannot reveal whether such a service-dominant logic actually leads to additional revenues and new business partners, we argue that this CSR service is a differentiating factor from competitors, which might ultimately lead to additional business with existing customers and tie these customers to the firm. In addition, this service might attract those buying firms that had negative experiences with other suppliers in the industry.

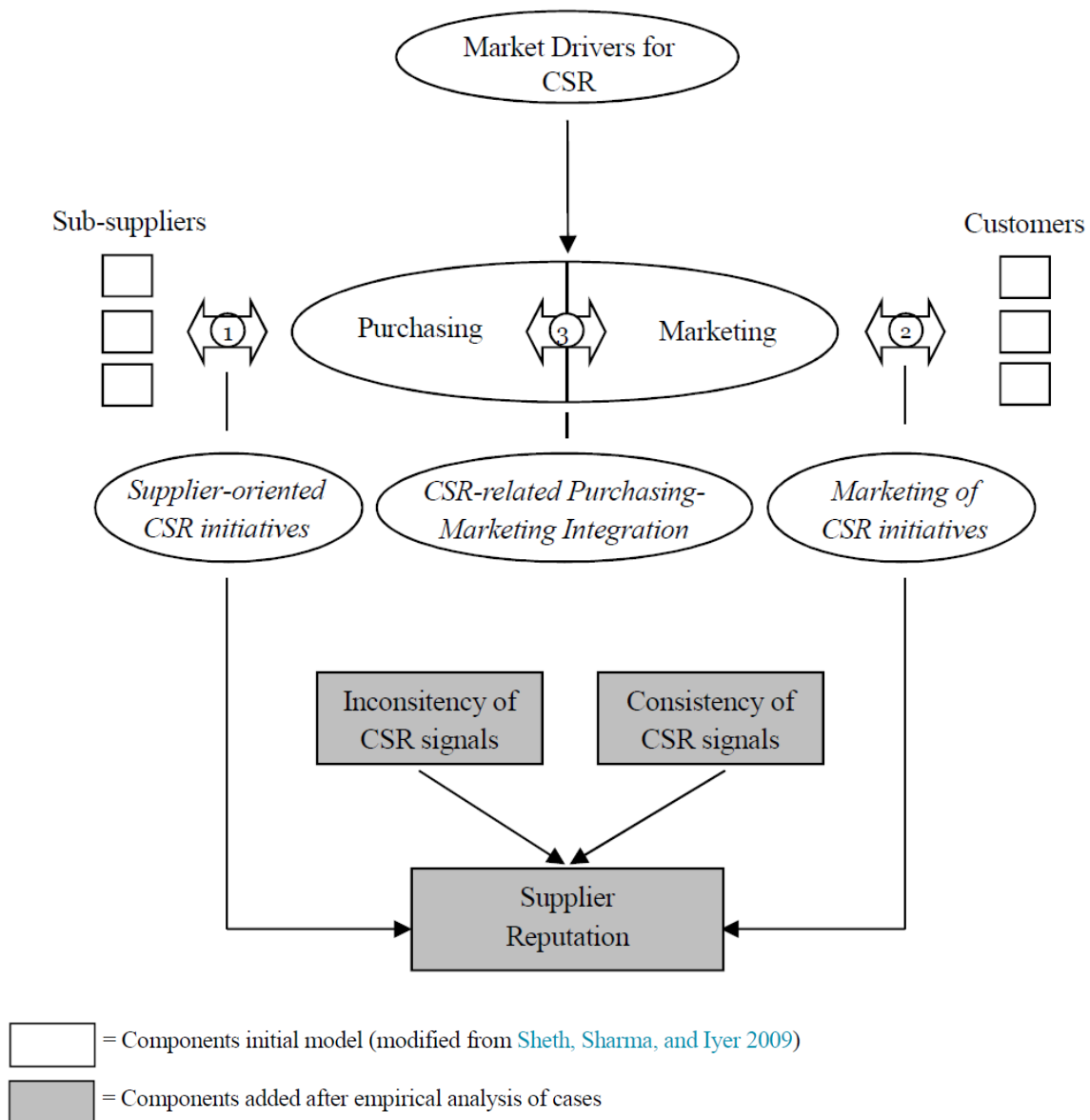
In summary, our analysis revealed that the marketing of supply chain-oriented CSR management capabilities requires a deep understanding of the downstream supply chain (buyers, end-consumers) and exceptional knowledge on how to achieve responsibility in the upstream supply chain (sub-suppliers, raw-material suppliers). The four distinct concepts demonstrate approaches on how to market a supply chain-oriented CSR-management capability to existing buyers as well as to the business market. In combination, the first

concept of fact-based marketing sets the basis for all other concepts as in the context of business markets with its professional purchasers the presentation of hard facts in conjunction with promoting superior CSR management capabilities is vital in order to avoid the perception of greenwashing which would potentially offset the positive effects of the marketing attempts. The effectiveness of the remaining concepts largely depends on the particular requirements of existing and potential buyers, as well as on the industry-wide interest in CSR-related business practices. In fact, Concept 2 (Targeting of indirect customers and influencers) and Concept 3 (Marketing through education), and the associated business practices have been more mature among those top-tier supplier that experience high external CSR pressure (Firm A, Firm B and Firm E), whereas the concepts are less developed at Firm C and Firm D.

Inductive analysis: How the marketing of CSR affects reputation

In the following, we will discuss how the business practices associated with the previously identified four concepts for marketing CSR-related SCM capabilities affect a top-tier supplier's reputation. In particular, we rely on the basic notion of signaling theory that positive signals enhance a firm's reputation while negative signals harm it and that the consistency in the sent signals is a key enabler for a positive reputation and a stable corporate identity (Cornelissen, Haslam, and Balmer 2007). Hence, we interpret the explored business practices as signals that are sent to existing buyers and the business market. In this context, the CSR-related marketing practices are interpreted as actively sent signals, whereas supplier-oriented business practices are interpreted as measures that aim to avoid the sending of primarily negative signals, for example, through publically reported misconduct on the sub-supplier level. Thus, reputational effects were measured indirectly by analyzing the nature and the intensity of sent signals. Thus, signaling serves as a proxy and a mediator for assessing the effect of CSR-related business practices on reputation. In order to ensure external validity and objectivity, we triangulated the marketing representatives' responses on the effects of their CSR-related marketing efforts on their reputation in the

FIGURE 2:
Theoretical framework extended by CSR marketing–reputation effects



marketplace with industry reports, NGO reports, and articles in the business press, which served as an additional proxy of this perception. For instance, we investigated whether the case firm's customers appreciate extraordinary CSR performance based on so-called supplier awards.

Moreover, top-tier suppliers provided us with insights into their own customer satisfaction surveys, which gave us a good indication of the buyer's appreciation for their CSR practices. Figure 2 presents an extended version of our theoretical research framework that incorporates the key assumptions related

to signaling theory while at the same time providing an overview of our propositions, which we will elaborate on in the following.

Reputation-building through marketing of CSR

From a signaling theory perspective, the identified buyer-oriented CSR practices such as joint initiatives with NGOs (applied by Firm A, Firm B, Firm E), the support of publically reported research initiatives in the cases of Firm A, Firm B, and Firm D, or an open dialogue on CSR with existing buyers as initiated by Firm B and Firm E, send positive signals on CSR to the business market. Our respondents stated that the marketing of

supplier-oriented CSR capabilities is positively reflected by buyers, as they consider supplier- or sub-supplier-induced environmental or social misconduct a major reputational threat. As an example, Firm E's head of sales points to the value of CSR as a major differentiator on the market: "We consider CSR a unique selling proposition among our most important customers. However, most of our customers do not know yet how responsible Firm E really is. Marketing, therefore, has to ensure that our emphasis on CSR is communicated properly." In a similar vein, Firm C's vice president of SCM notes about the effects of CSR marketing: "The effect of a positive perception related to responsibility [...] is that the customer's buying managers have higher trust in their supplier and do not have to worry about potential responsibility issues at this part of the supply chain." Hence, the positive signals sent out to the market seem to build up trust. However, in some cases they are simply a way of demonstrating awareness with particular compliance requirements, as a number of buyers only recently extended their set of supplier selection criteria to social and environmental factors.

In this context, Firm D's head of purchasing notes: "Meanwhile, our customers implicitly expect us to fulfill social and environmental regulations, as these factors are now a regular part of their initial supplier questionnaires and audits, even though they do not explicitly demand responsible business processes." However, the simple equation that more marketing leads to more positive signals and hence to a constantly increasing reputation would not apply to the context of CSR in business markets, as a too radical promotion of one's own capabilities can easily create suspicion and the perception of greenwashing. The previously identified concept of fact-based marketing demonstrates the top-tier suppliers' awareness of the sensitivity of CSR-related marketing attempts in order to avoid that too many positive signals are actually converted into a negative signal. Firm B's initiative of actually certifying its CSR-related communication strategy according to a DIN ISO norm underpins the fact that in business markets with professional purchasers, responsibility marketing is an optimization problem of selling but not overstating one's own CSR capabilities.

All in all, our data confirm that CSR-related marketing initiatives create positive signals, as long as they are sound and targeted to the individual requirements of existing and potential buyers, which is in line with signaling theory's basic notion that receivers of signals need to actually be interested in CSR in order to detect the sent signals (Jones, Clarke-Hill, Comfort, and Hillier 2008; Schueth 2003). As a constant sending of positive signals enhances reputation (Cornelissen, Haslam, and Balmer 2007), we argue that a careful and fact-based marketing of own CSR capabilities is beneficial. Thus we formally propose:

Proposition 1a: In business markets the target-group-specific marketing of upstream CSR initiatives increases the reputation of a top-tier supplier.

Proposition 1b: In business markets, purely image-building campaigns that are not supported by measurable hard facts have no effect on the reputation of a top-tier supplier.

Required consistency of marketed and delivered CSR performance

Another point that emerged from our cross-case analysis was that in B2B markets top-tier suppliers need to ensure that they "walk their CSR talk" in order to convince professional purchasers of their CSR management capabilities. As mentioned in the exploratory analysis, the respondents in our sample widely agreed that consistency between marketing messages and their CSR capabilities is vital in order to be able to benefit from the marketing of such capabilities. Otherwise, perceived overstatement (greenwashing) of their CSR-related supply chain capabilities might become a liability. A close collaboration between marketing and purchasing is central to ensure this consistency, as Firm C's sustainability manager confirms:

"In terms of CSR, the mentioned functions [purchasing and marketing] interact with the support of the corporate sustainability function, which acts as an interface for all sustainability-related topics. Hence, we ensure a consistent external picture that does not exaggerate our CSR capabilities along the supply chain to prevent reputational damage." In a similar vein Firm E's head of marketing mentions the integration of purchasing and

marketing as a cornerstone to turn their supply chain-oriented CSR management capability into a competitive advantage.

“Marketing needs to ensure that facts and numbers are available [...] in order to avoid the perception of greenwashing. Purchasing and marketing, therefore, need to collaborate closely.” By employing dedicated CSR managers that are in many cases supported by an additional team of up to five fulltime employees (in the case of Firm C), all top-tier suppliers in our sample demonstrate that cross-functional integration in CSR-related topics is core to effectively managing responsibility upstream and downstream the supply chain.

From a signaling theory perspective, the cross-functional integration of purchasing and marketing is necessary for sending consistent signals to the market, which in turn enables the development of a stable corporate identity (Cornelissen, Haslam, and Balmer 2007). For instance, the marketing of reliable supplier-focused mechanisms based on performance indicators such as chain-of-custody-based certifications or the attainment of CSR-related sub-supplier audits demonstrates the top-tier supplier’s true commitment to CSR (Shrivastava 1995) and enables the marketing function to signal their CSR capability based on measurable facts. Moreover, the close collaboration between marketing and purchasing enables the firms to react timely to cases of sub-supplier social or environmental misconduct. Properly communicating and rectifying the misconduct prevents the top-tier supplier from exacerbated market reactions to own or sub-supplier wrongdoing (Janney and Gove 2011).

Nevertheless, we did observe inconsistencies between marketing and purchasing when signaling CSR to the B2B market. While some firms in our sample simply did not seek to market their profound capabilities to specific customer groups, others deliberately overstated their upstream CSR capabilities to customers. For instance, Firm C does not put a lot of emphasis on marketing its outstanding supply chain-oriented CSR management capabilities, yet it applies profound supplier-oriented CSR practices and was identified as the top-tier supplier with the largest CSR department. Moreover, the firm was recently listed in a major sustainability index. Hence Firm C seems to understate its own

capabilities. In fact, this understatement leads to a consistent external picture between upstream- and downstream-oriented CSR practices. On the other hand, Firm E only recently started with certification initiatives and only lately extended its regular supplier audits by CSR-related criteria while already engaging strongly in marketing these capabilities. Hence, Firm E seems to overstate its own capabilities. It appeared that purchasing was not aware of the marketing messages, while marketing was not fully aware of the status of the upstream CSR management capabilities prevalent in the purchasing function. Moreover, the CSR-related marketing-purchasing link is less advanced than in other firms in our sample. Although Firm E has a CSR manager, this is only a part-time role and is not supported by additional resources, which also limits the integration of marketing and purchasing in the context of CSR.

Hence, it seems that the consistency of signals depends on how close marketing and purchasing collaborate in the context of CSR on a daily basis and also on the individual CSR requirements of the top-tier supplier’s various buyers. Our data further suggest that the central CSR functions are the key for integrating the CSR-related purchasing practices with the marketing practices, and that inconsistency in sent signals occurred most frequently when the integration of purchasing and marketing was low. Based on these findings, we propose the following:

Proposition 2a: The higher the level of integration of purchasing and marketing is at a top-tier supplier in the context of CSR, the stronger the incremental rise in the firm’s reputation.

Proposition 2b: The lower the level of integration of purchasing and marketing is, the higher the risk of harming reputation.

Even though signaling consistency mediates the effect of upstream CSR capabilities on corporate reputation in the long run, we also found that short-term incentives for the marketing function to greenwash prevail, as in the case of Firm E, but also similarly for Firm B. Thus, we observed that some top-tier suppliers signaled proficiency and a service offering they were simply unable to provide at

the time. However, in the stated cases the buyer-sided pressure for CSR was high and dominated by strong demands and ambitious CSR targets for the suppliers. However, due to the complexity of the upstream supply chain and the relatively weak CSR proficiency on the buyer side, the top-tier suppliers were perceived to benefit from this practice despite an immature focus on CSR inherent in their purchasing practices and the reputational risk associated with this practice. However, such unethical behavior is likely to backfire at the firm over time if it does not commit to upstream CSR and build up the required capabilities. As a result, Firm B and Firm E decided to start matching upstream CSR compliance with the buyer's particular demands and to catch up with their marketing commitments in a continuous improvement process. Thus, we posit:

Proposition 3a: A short-term overstatement of one's own CSR capabilities increases a top-tier supplier's reputation on the business market even if the buyer's CSR capabilities are immature.

Proposition 3b: The longer the inconsistent signals prevail, the greater the potential for a negative impact on reputation if the overstatement is detected.

Avoidance of reputational damage through supply chain induced misconduct

Finally, when shifting the focus from customer-oriented CSR practices to supplier-oriented CSR practices, our data reveal that the sending of positive signals through marketing and the avoidance of negative signals through respective SCM practices are in fact two sides of the same coin. Even though positive signals enhance reputation, negative signals through social or environmental misconduct within or beyond one's own corporate boundaries can significantly harm the top-tier supplier's reputation. The negative consequences outweigh the gains of previous positive signals by far. For instance, a few years ago Firm D was involved in a bribery scandal among its suppliers and sub-suppliers. The public interest in the scandal was widely reported in the business press. Moreover, Firm D became the subject of several NGO reports, which severely harmed the firm's reputation and the buyer's trust. Large investments in compliance and CSR followed, but to date Firm D still

needs to act very carefully when using CSR-related topics in its external communication and appearance. As a result, Firm D puts higher emphasis on supplier-oriented business practices as it needs to avoid sending negative signals related to responsibility.

Overall, the top-tier suppliers in our sample are aware of the impacts of negative signals on themselves and their customers. Thus, they use their supplier-oriented CSR management practices to avoid the appearance of such negative signals also at the level of their buyers. In this context, Firm E's head of sales notes:

"We recognized that in particular retail companies our buyers' customers are pushing the responsibility topic forward, driven by a broader public interest for responsible products and operations, as well as by recent scandals in the retail sector and cases of social misconduct at the raw material level. The knowledge about these facts helps us to identify appropriate CSR initiatives on the supplier level that help our buyers in serving their customers' demands in this context."

However, the identified supplier-oriented CSR management initiatives are often associated with high additional costs for the top-tier supplier. For instance, for packaging suppliers the Forest Stewardship Council (FSC) standards require a long-lasting certification process that also includes the certification of all suppliers upstream the supply chain to the level of the raw-material supplier. Nevertheless, our data suggest that top-tier suppliers are willing to invest in such practices to avoid misconduct at the sub-supplier level, as this would also ruin all CSR-related marketing efforts. Firm D's head of sales notes:

"Customers come to us as supplier of choice when looking for new (greener) technology, and in order not to jeopardize this image we must assure high standards along the entire supply chain."

Some top-tier suppliers may use their capability to minimize the probability of sending negative signals as a factor for differentiation, for instance if their existing buyers lack the required knowledge for managing a responsible supply chain and are

hence dependent on the top-tier supplier's CSR-related gatekeeper services. Firm A's sales manager notes: "Currently, suppliers like us are leading the discussion on sustainability with our customers, as the market pressure for acting responsibly only recently increased. As a result, knowledge on how to manage the upstream supply chain towards responsibility is still at a moderate level among our customers, which makes them partly dependent on us."

From a signaling theory perspective, each negative signal harms a firm's reputation (Cornelissen, Haslam, and Balmer 2007), so supplier-oriented CSR capabilities help top-tier suppliers to avoid situations in which they become the subject of such negative signals. However, supplier-oriented CSR practices themselves do not necessarily enhance a top-tier supplier's reputation. Instead, they simply aim to not harm the status quo, even though the avoidance of negative signals is valued higher than the sending of positive signals. As cases of CSR-related misconduct can occur in complex supply networks despite the proactive management through top-tier suppliers, genuine upstream CSR practices can help to minimize both their frequency and severity. Moreover, theory suggests that it is not necessary to rule out all misconduct upstream the supply chain, but to credibly signal and demonstrate that one is capable of addressing supplier misconduct (Cornelissen, Haslam, and Balmer 2007; Janney and Gove 2011). Hence, we propose:

Proposition 4a: In business markets, supplier-oriented CSR practices reduce the destructive effects of negative signals on the reputation of the top-tier supplier and the buyer.

Proposition 4b: The ability to safeguard their buyer's reputation through supplier-oriented CSR practices enhances the top-tier supplier's reputation in the business market.

In summary, the propositions are reflected in the modified theoretical framework on purchasing-marketing integration in the context of CSR depicted in Figure 2. This modified theoretical framework explains the CSR endeavors of top-tier suppliers in a competitive B2B supply chain context.

CONCLUSION AND IMPLICATIONS

In this study on corporate social responsibility (CSR) in B2B markets, we explored how top-tier suppliers effectively organize and market a supply chain-oriented CSR management capability. Furthermore, we studied how the attainable reputational effects for top-tier suppliers drive their behavior based on the assumptions of signaling theory. In particular, we investigated how top-tier suppliers assure upstream CSR standards and how they simultaneously market upstream practices as a service to their direct industrial customers. In order to develop theory, we modified an established model on purchasing-marketing integration. We adapted this framework to the context of CSR in business markets based on our research findings and the resulting propositions from investigating the CSR-reputation link for the five best-practice case studies that form the basis of our research.

Moreover, we explored four distinct concepts for marketing superior CSR-related supply chain management capabilities in a B2B context: (1) Fact-based communication of measurable CSR capabilities, (2) targeting of indirect customers and influencers, (3) marketing through education, and (4) marketing of CSR as a service. In terms of the marketing-reputation link we argue that the effective marketing of CSR capabilities enhances a supplier's reputation if it sends consistent signals through the cross-functional integration of CSR-related purchasing and marketing practices. Firms must foster the cross-functional integration between marketing and purchasing because it promotes signaling consistency. We identified that signaling consistency mediates the effect of upstream CSR capabilities on corporate reputation in the long run, especially as short-term incentives for the marketing function to greenwash prevail. On a more generic level, this study demonstrates that not only those companies with a popular brand name need to actively manage CSR in their business operations, but that suppliers in the upstream supply chain would also need to consider CSR in their business operations and among their own sub-suppliers. Moreover, the study demonstrates that suppliers too can benefit from being perceived as a CSR leader – which of course sometimes entails significant cost – but that in many cases, CSR awareness is

considered simply an order qualifier and not an order winner.

Managerial and theoretical contribution

From a theoretical perspective, this paper contributes to cross-functional theory-building in the area of CSR by extending an established theoretical framework on marketing-purchasing integration in B2B markets to the context of CSR. Moreover, our paper is one of the first that considers the upstream assurance of CSR standards as a service to customers, which is especially the case in a B2B context. Moreover, we inductively derive four propositions on the correlation between the marketing of CSR and a supplier's reputation (see Figure 2), which can be a starting point for further theoretical or empirical endeavors.

For managers, our study provides decision support on investments in responsible upstream business practices and defines the factors that drive and limit the potential benefits of investments in such intangible assets. For instance, the identified business practices and distinct marketing concepts can serve as a starting point for defining individual concepts for using CSR-related capabilities, and may give practical guidance on how to manage cross-functional integration in the context of CSR. Moreover, we assist practitioners in assessing the potential reputational effects of the investments in such CSR-related business practices in the long run. Furthermore, managers should be aware of the potential drawback related to negative effects and keep in mind that negative signals related to CSR by far outweigh the positive effects of actively marketing CSR-related capabilities. As in the context of supply chain-oriented CSR, consistent signaling is a necessary condition for long-term reputational benefit; firms must foster integration between marketing and purchasing because this fosters signaling consistency. However, managers need to be aware that the market drivers can change rapidly. Thus, the appropriate level of CSR practices upstream the chain and the corresponding level of purchasing-marketing integration must be adapted accordingly.

Limitations and further research

Our study has limitations that in turn should motivate further research. One such limitation is the sole focus on the top-tier supplier

organization. Even though we conducted a rigorous multiple-case study with top-tier suppliers and used secondary data as a proxy for reputational effects, further research should seek to apply dyadic or even triadic research designs that involve sub-suppliers, customers, or other stakeholders such as NGOs, in order to externally validate our propositions. A further limitation of this study is the generalizability of our findings as our results could be specific to the composition of our sample. Thus, further research is needed to test whether the research propositions formulated in this study hold true in a sample with firms from different countries and industries, or for firms of different size and with a different geographic dispersion of their customer and supplier bases. Future research could test the viability of our formulated propositions in a large-scale empirical setting with data collected across industries, thereby contributing to further theoretical refinement. As a final suggestion for further research, scholars could evaluate how the marketing of supply chain-oriented CSR capabilities and the increased transparency of the supplier's business operations ultimately affects different dimensions of supply chain performance, such as buyer and supplier financial performance, supplier and buyer innovativeness, and supply chain efficiency or responsiveness.

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APPENDIX I:
Core questions of the
semi-structured interview guide

Questions related to interviewee:

1. How long have you been employed at your company and in which position(s)?
2. Are you currently involved with CSR issues at your company? How and since when?

CSR demands in the business market:

3. How would you describe your company's overall strategic approach towards CSR?
4. How would you describe your company's situation with regards to its position between buying firms and sub-suppliers in the context of CSR?
5. How would you describe the development of your buyer's demand for responsible business operations over time? What are the differences between different buyer groups?
6. What external and internal factors affect your company's engagement in responsible business operations? What are the buyer-driven factors?

Questions related to sales and marketing:

1. How would you describe the importance of a responsible brand image in your industry?
2. How is CSR integrated into your company's marketing operations?
3. How does your company market CSR-related internal business practices/initiatives?
4. How do you ensure that your buyers' CSR-related demands are adequately reflected in your company's corporate image?
5. How do you communicate the attainment of social and environmental targets?

Questions related to purchasing and supply management:

1. How is your company's supply management function affected by your buyers' demands for responsible business operations? How does supply management react?
2. How is CSR incorporated into your supply management operations?
3. How do CSR-related buyer demands affect your purchasing and supply management operations?
4. What does the CSR-related supplier evaluation process look like?
5. How does the compliance monitoring of your suppliers take place in practice?

Questions related to cross-functional collaboration:

1. Which function controls/steers your company's CSR initiatives?
2. How do the marketing and supply management functions collaborate in order to ensure that CSR-related buyer demands are implemented within your supply chain?
3. How do the marketing and supply management functions collaborate to market CSR to external parties such as customers or NGOs?

APPENDIX II: Validity and reliability measures throughout the research design

	Research phase			
Reliability/Validity Criterion	Design	Case selection	Data gathering	Data analysis
Reliability <i>(demonstrates that the operations of a study can be repeated, with the same results)</i>	Development of a case study protocol for primary and secondary data	Best-practice sampling based on multiple sampling criteria	- Shared questionnaire for all interviewers - Utilization of the case study database	- Involvement of a third author who did not gather the data - Coding and inter-rater reliability assessment
Internal validity <i>(establishes a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished by spurious relationships)</i>	- Research grounded in an established framework of purchasing-marketing integration - Interpretation of results based on assumptions of signalling theory	Sampling criteria recorded in case study protocol	Recording of alternative explanations and developments in the business environment of our case companies	- Pattern matching - Triangulation of multiple data sources - Logic models and inductive reasoning in conjunction with signalling theory
Construct validity <i>(establishes correct operational measures for the concepts being studied)</i>	Adoption of constructs from previous empirical works in the field of sustainability and risk management	N/A	- Collection of primary, archival and publicly available data as sources of information - Multiple interviewers	- Key informants reviewed our case study protocol eliminate misunderstandings and ambiguities - Process tracing based on a chain of evidence
External validity <i>(establishes a domain in which the study's findings can be generalized)</i>	Description of sampling criteria to the audience	Clear description of case firms, context and situation	Use of results of customer surveys, industry reports, NGO analyses and business press articles as proxies for effects corporate reputation	N/A

APPENDIX III:
Identified business practices previously mentioned in the literature

Element in Framework	Business practice	Explicitly mentioned in B2B context	Practice observed at firm				
			A	B	C	D	E
<i>Supplier-oriented CSR practices</i>	Selection/evaluation criteria cover TBL	YES	Y	Y	Y	Y	Y
	Initial responsibility audits on 1st tier level	YES	Y	Y	Y	Y	Y
	Written regulations for responsible purchasing	YES	Y	Y	Y	Y	Y
	Vertical integration of value chain	YES	N	Y	N	N	Y
	Suppliers need to confirm the firm's code of conduct	YES	Y	Y	Y	Y	N
	Suppliers need to own CSR-related certifications	YES	Y	Y	L	N	Y
	Regular responsibility audits on 1st tier level	YES	Y	Y	Y	L	N
	Defined processes in case of supplier misconduct	YES	Y	N	Y	N	N
	Development of suppliers towards CSR (e.g., certifications)	YES	Y	Y	Y	N	Y
	Supplier risk management processes reflect CSR-related risks	NO	N	N	Y	Y	N
	Measurement of the supply chain's carbon footprint	NO	Y	Y	N	N	N
	Traceability concept for determining the origin of raw material	YES	N	Y	N	N	Y
<i>Customer-oriented CSR practices</i>	CSR information at top of corporate website	NO	Y	Y	Y	Y	Y
	Promotion of CSR-related product features or product lines	NO	Y	Y	L	Y	Y
	Target group-specific communication of CSR topics	NO	Y	Y	Y	Y	Y
	Sustainability report covering the triple bottom line CSR communication strategy in place	YES	Y	Y	Y	Y	N
	CSR communication strategy in place	NO	Y	Y	Y	N	Y
	Active positioning as CSR innovator	YES	Y	Y	N	N	Y
	CSR-related info material for external & internal use	NO	Y	Y	N	L	Y
	Joint CSR initiatives with NGOs driven by marketing	YES	Y	Y	N	N	Y
<i>Marketing-Purchasing integration</i>	Centrally available written regulations related to CSR	YES	Y	Y	Y	Y	Y
	Education of workforce in CSR-related topics	NO	Y	Y	Y	L	Y

'Y' = Yes, the top-tier supplier engages in the CSR practice in significant amounts

'N' = No, the top-tier supplier does not engage in the CSR practice

'L' = The company shows limited engagement in the identified CSR practice

Female consumers' perceptions of garment fit, personal values and emotions considering their body shapes

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ABSTRACT

When female consumers encounter garment fit problems as a result of their body shape, an emotional experience may result due to the failure to attain the personal values they are aiming to achieve. Very little research has been conducted in South Africa focusing on the emotional impact on female consumers or the role personal values play in their shopping experience of ready-to-wear garment fit. This study was conducted to determine the female consumers' personal values attributed to garment fit and to identify the emotions resulting from the perceptions of garment fit in relation to their perceived body shape. This study used the Means-ends chain theory approach through the application of the hard laddering technique. The findings from the data collected from a purposeful and convenient sample of 62 female consumers showed that the majority of the participants in this study failed to attain their personal values through the proper fitting of the garments which are currently available in the clothing retailer stores due to their varied body shapes. This resulted in mainly negative emotions being expressed by the participants. It is, therefore, extremely important for South African clothing manufacturers and retailers to consider the various body shapes in their garment design and attempt to understand the specific needs of their target market if they want to be successful.

Keywords: garment fit, clothing retail, personal values, emotions, body shape, cognitive appraisal theory, means-ends chain theory, hierarchical value maps

According to Cant (2013:69) clothing retailers today require a lot of preparation, not only in terms of selecting merchandise, but also in researching the needs of their customers. Spinks (2014:1) further adds that in South Africa's current clothing retail environment, where demand promotes high levels of differentiation, clothing retailers need to be ahead of their competitors in terms of their offerings to the consumers. To compound the

problem, in recent years the challenge in the South African retail environment has been the arrival of a number of international retailer brands such as the Australian Cotton On Group, the United States retailer, Gap in 2012, Forever 21 in 2014, which is also the group's fast-fashion rivals of Topshop and the Spanish retailer, Zara which has already set up shops in South Africa among others (Moorat, 2014:1). The introduction of the latter brands to the

South African fashion consumer may in particular have pressured the local retailers with its "fast fashion" approach, which introduces the latest styles on a continuous basis (South Africa retail and Consumer Products Outlook 2012-2016, 2012:5) ensuring that the latest fashion look, styles and trends quickly reach the consumer (Jackson & Shaw 2001:3; Moorat, 2014:1).

The competitive intensity within the clothing sector has provided an unprecedented variety of retailers for clothing consumers (Carpenter & Moore, 2010:1), which has created a major challenge for clothing retailers to understand the drivers that influence women clothing purchasing. This has resulted in a struggle for retailers to find the correct market positioning and in creating a differentiation between the local clothing products offered with those of their competitors (Carpenter & Moore, 2010:1). In addition, with more international fashion brands being made available to the South African retail markets, and with the emergence of online shopping, the South African consumer is developing an even stronger desire for clothing styles and preferences which are in line with global trends (Kaplan, 2014:1). Thus retailers and marketers are compelled to continually examine the needs or requirements of the fashion consumer (Bickle, 2011:7) as well as buy merchandise that reflects the demands of their customers (Cant, 2014:69). Furthermore, in the local context, South African clothing retailers should be mindful of and be guided by local preferences (Kaplan, 2014:1) as this may give local retailers the competitive edge over international retailers. A best practice for the local South Africa retailer would be to interpret global trends in such a way that it will be relevant to the local fashion market which may include providing well-fitting clothing sizes for the various body shapes and proportions, adherence to fit preferences, and fashionable styles.

Clothing in general is a highly symbolic and visible product resulting in assumptions to be made about individuals, purely on the basis of their clothing (Banister & Hogg, 2007:218). Moreover, for the consumer, the clothing shopping experience is about making decisions concerning their appearance which is influenced by the attitudes towards stores and

clothing as well as their personal values (Otieno, Harrow & Lea-Greenwood, 2005:298). According to Kim (2005:210) and Kaiser (1998:290) personal values are representations of goals or standards that individuals use to guide their actions and thoughts as well as evaluations of the appropriateness of the garment. Therefore, garment fit and the subsequent individual's appearance serves as a personal expression, communicating personal values to others (Kaiser 1998:290; Kim, Forsythe, Gu & Moon, 2002:481). Thus in an attempt to elevate the consumer both physically and psychologically (Jackson & Shaw, 2001:3), clothing obtains an emotional connotation (Doshi, 2006:1).

According to Lopatovska and Arapakis (2010:1), all human interaction including our material world involves expressions of emotions. Hence an individual's personal experiences with the fit or misfit of a garment may elicit either positive or negative emotions. Naturally when female consumers feel uncomfortable with the fit of the garment that they purchased, in relation to their personal values, negative emotions such as frustration may be experienced (Doshi, 2006:1). This frustration is not only consumer based, but garment manufacturers and retailers also bear the consequences when consumers face issues with the fitting of the garment, such as lost sales, damage to merchandise due to over handling of the garment when trying it on as well as returned garments as a result of poor fits (DesMarteau, 2000:1).

There are several theories that attempt to understand why people experience emotions, of which the cognitive appraisal theory of emotions is one. This theory is used in an attempt to understand the emotional expression caused by garment fit when consumers' personal values are either challenged or maintained.

Cognitive appraisal theory of emotions

According to Lazarus (2001:55) the cognitive appraisal theory of emotions is defined as a quick evaluation of a situation with respect to a person's wellbeing of which answers to the evaluations are what cause the emotions a person experiences. In other words, the process that precedes the emotional response is

the evaluation process (Desmet, Overbeeke & Tax, 2001:32). As an example, an ill-fitting garment does not produce emotions, but the evaluation of what is at stake for the consumer gives rise to a particular emotional response. Underlying this response are the personal values an individual seeks to achieve through the clothing they purchase from clothing retailers and wear, which in the case of an ill-fitting garment may be challenged because of the lack of proper fit or style of the garment (Desmet et al., 2001:32). Specifically one approach used in describing and differentiating between and among the evaluations are the dimensional processes which refer to the process of answering evaluative questions (Demir, Desmet & Hekkert, 2009:42). One of the evaluative questions most likely to be asked of the consumer when faced with an ill-fitting garment is whether this negatively perceived situation affects the female consumer's personal values. Demir et al. (2009:42) mentions that these evaluative questions which differentiate emotions are named appraisal dimensions. Furthermore, garments and appearance are closely related to our social environment according to Kaiser (1998:95), and the emotions this study intends to identify are those elicited when personal values are either challenged or maintained through garment fit. Therefore this study explored the social standards dimension as the appropriate dimension to use when evaluating personal values through the fit of garments and the resulting emotions.

In South Africa very little research has been conducted where the social standards dimension of appraisal has been applied to uncover the underlying emotions of female consumers when faced with an ill-fitting garment. Furthermore, fewer studies have reported on the deeper personal values that may contribute to emotions that consumers experience as a result of ill-fitting garments found in the South African clothing retail environment. Therefore this study was conducted to establish the emotional impact ill-fitting garments have on the female consumer when they evaluate the fitting of the garment against their personal value system. This can be explored by determining female consumers' personal values and emotions related to their self-perceived body shapes in terms of the important criteria used when

choosing ready-to-wear garments and the problems encountered thereof. The study applied the Means ends chain theory approach that allowed the researcher to determine female consumers' personal values and the resulting emotions through the application of the laddering interview technique. The study also aims to provide some valuable recommendations to address garment fit problems related to self-perceived body shape from the perspective of the South African female consumers.

LITERATURE REVIEW

A well-fitting garment contributes to the confidence and comfort (Alexander, Connell & Presley, 2005:52) as well as to the attractive and desired appearance of the wearer (Moody, Kinderman & Sinha, 2010:162). Moreover, the differences in body shapes will often determine the way the garment will drape on the body, how comfortable the garment will feel, and how the female consumer will perceive the fit of the garment (Pisut & Connell, 2007). Since clothing is about self-expression, emotions and personal identity (Hines & Bruce, 2007:xxi), female consumers are unlikely to purchase a garment solely as a means of ensuring warmth and to cover the body. Kim et al. (2002:481) are of the opinion that consumer behaviour in the clothing market is greatly influenced by their personal values and that garment fit is a key element of any garment that is able to support the consumer's personal values.

Defining garment fit

The definition of a well-fitting garment, and thus what good fit represents in ready-to-wear clothing, depends on several factors which may include among others: the current fashion in fit that is found within clothing retailers, the existing industrial norm such as styles or function of the garment as well as the fit preferences of individuals (Yu, 2004:32). Apart from these aspects a well-fitting garment is achieved when the wearer feels comfortable and is able to move freely without any restraint from the clothing item (Laitala, Klepp & Hauge, 2011). Equally, a good fit is supposed to be flattering and enhance the appearance of the wearer by making the body look well-proportioned and smart (Rasband & Liechty,

2006). Rasband and Liechty (2006) also suggest that by wearing poor fitting garments negative attention is drawn to the body shape that varies from a well-proportioned or "ideal", which is said to be similar in width in the shoulders and hips, with a medium bust, small waist, flat to slightly curved abdomen, moderately curved bottom and slim thighs that is well balanced with no exaggerated area present. Equally so a South African study by Pandarum et al. (2009) reported that there is no "average person" hence the prevalence of garment fit problems, compounded by the fact there is no readily accessible garment sizing system on a public domain available to the South African consumer or manufacturer. This is propriety priority to the manufacturers.

Impact of body shape on garment fit

Researchers Horwaton and Lee (2010:22); Barona-McRoberts (2005:2) and Otieno et al. (2005:307) concur that female consumers find it difficult to locate well-fitting garments. The authors attributed this to the varying female body shapes and proportions that may also change over the years as a result of age, changes in nutrition, lifestyle and an increase or loss in body weight (Howard & Lee, 2010:220); (Bougourd, 2007:108); (Pisut & Connell, 2007:370); (Pechoux & Ghosh, 2002:3) or ethnicity (Lee et al., 2007:375) and other influencing factors. This problem can also apply to the South African female clothing consumer for which very little research evidence is able to validate this occurrence. Researchers, Connell, Ulrich, Knox, Hutton, Bruner and Ashdown (2003:1) and Simmons, Istook and Devarajan (2004a:1) suggest that most garment manufacturers and retailers in the United States of America (USA) still base their body measurements on studies conducted in the 1940s and the hourglass or slightly pear-shaped female figure is used as the basis for manufacturing garments. The problem of different body shapes and the lack of realistic body measurements of the population and the problem of garment fit were also highlighted in that "South African clothing manufacturers and retailers have no idea of the body shape of South Africans as a detailed survey of the shape and size of the South African consumer has never been done before. As a result the local garment industry in South Africa has been forced to rely on charts devised in the

United States of America and United Kingdom to design and manufacture clothing for South African consumers" (Kahn, 2008). It is therefore assumed that the sizing systems used in South Africa for the production of ready-to-wear garments found in retail stores in South Africa are also outdated. This type of practice does not accommodate the diversity of the female body shapes in South Africa. This implies that the majority of female consumers who do not have a body shape that meets the standardised ready-to-wear garment sizing system, may experience problems with garment fit (Park, Nam, Choi, Lee & Lee, 2009:374).

The relationship between body shape and garment fit

Research provides several insights into the relationship between female body shapes and garment fit. For example, Alexander et al. (2005:52) studied the garment fit of females using four different body shapes – pear, hourglass, rectangular and inverted triangle – in trying to find the relationship between body shape and garment fit preferences. The researchers observed that the participants who identified their bodies as rectangular, pear and hourglass shapes were more likely to express fit problems in the bust area than those who perceived themselves to be an inverted triangular shape. Fit problems at the waist, hip and thighs were more likely to be reported by the pear and hourglass body shapes than the rectangular and inverted body shapes. Hence these findings also revealed that respondents who reported fit problems at the bust did not prefer wearing fitted tops. Similarly, respondents who had fit problems at the hip did not prefer purchasing fitted jackets and respondents who had fit problems at the waist preferred more fitted pants. This implies that different female body shapes can experience different types of fitting problems, and fit problems due to body shape may influence garment fit preferences among female consumers.

In another study, Schofield, Ashdown, Hethron, Labat and Salusso (2006:158) explored body shape as a contributing factor to garment fit and sizing problems for a specific target market. The study was limited to differentiating two seat shapes. This study found that two women with identical seat shapes and hip circumference may have different degrees of abdominal protrusion, yet

another woman still with a flat seat shape may have a full high hip circumference and thin thighs. The researchers concluded that the differences in body measurements identified within each garment size suggested that these relationships affected the garment fit. Therefore, clothing retailers that succeed in providing the female consumers' needs and expectations, with all the criteria deemed relevant by the shopper (Easey, 2002:3), such as garments that focus on the customers' preferences, and body shape variations and proportions, are rewarded with continued loyalty and profitability (Newman & Patel, 2004:770).

Furthermore, Bickle (2011:8) states that marketers must also understand their target markets' clothing retailer demands such as the quality of the merchandise or services through which the shopping experience is enhanced. Female consumers may identify with the retailer and their offerings to build up their own personal values manifested through what they wear.

Personal values and emotions related to garment fit

Personal values can be regarded as the points of reference in the evaluation processes. If for instance body shape is contributing to the problems of garment fit, emotions may be elicited depending on the perceptions of whether the fitting of the garment matches or mismatches the personal values which the female consumer may seek through clothing. Hence an emotional state will not be elicited by the garment fit problem as such, but by the evaluation significance of this problem to an individual's personal values (Desmet et al., 2002:3).

The personal values that consumers attach to products such as garments can be broken down into two types, namely instrumental and terminal values (Chema, Marks, Parcell & Bredahl, 2004:2). According to Chema et al. (2004:2) and Karve (2011:1), instrumental values are core values that act like tools or methods in achieving the desirable end-state, while terminal values are desirable end-states that individuals work towards achieving through garments. These personal values have a large influence on the cognitive processes of consumers (Chema et al., 2004:2) in their evaluation of garment fit.

Moreover, emotions and personal values are closely related to each other. According to Frijda (2007) cited in Nurkka ('n.d':3), every emotion hides a concern and in Frijda's vocabulary, concern is a synonym for motive, a need, a desire, a goal as well as the personal values, referring to all things that people care for and are important to them. In this regard, a personal value is the concern which is also the terminal personal value that gives the situation (for instance improper fitting garment) its emotional meaning and the emotions point to the presence of some concern in the mind of the consumer. Hence the elicited emotion by the female consumers indicate the presence of a concern, which is also the terminal personal value for garment fit. Thus in this study, the emotional responses are regarded as the outcome of an appraisal or evaluation process in which the problems of garment fit are linked to the underlying concerns or terminal personal values.

METHODOLOGY

The sampling method used in this study was purposeful and convenient. The female participants selected were older than 18 years, who were working and purchased their own ready-to-wear garments from clothing retailers, residing in the Greater Johannesburg Metropolitan area in Gauteng, South Africa. This resulted in 62 participants volunteering to take part in this study. In light of the fact that an exploratory approach was undertaken, the sample size was based on sufficiency (Greeff, 2007:294) and largely determined by the nature of the research instrument and its complexities. Although demographic differences was not the purpose of the study, a group administered questionnaire was compiled which included demographic information (age and ethnicity), and a section in which female body shapes, as discussed by Liddelow (2011), was presented which ranged from the hourglass to the inverted triangle, the triangle, the rectangle, the oval and the diamond body shape. In this section the participants were requested to identify their own perceived body shape if they were unable to associate themselves with any of the body shapes presented, and they were required to draw their own body shape as they perceived it to be. Since the purpose of this study was to

establish the emotional impact the ill-fitting garments have on the female consumer when they evaluate the occurrence against their personal values, the study implemented the laddering exercise technique approach through which the personal values and emotions attributed to garment fit as it emerges from the perceived body shape.

Laddering instrument design

The laddering exercise normally involves a tailored interviewing format which primarily uses a series of directed probes to uncover the underlying reasons why an attribute or consequence is important to an individual (Reynolds & Gutman, 1988:12). There are two different types of approaches that can be used to conduct the laddering interview. These are the *hard laddering* and *soft laddering* approaches.

The *hard laddering* approach does not involve face to face or personal interviews, but is instead based on a structured, self-administered questionnaire that participants are asked to complete on either a computer or with pencil and paper (Miele & Parisi, 2000:16). On the other hand, the *soft laddering* approach is the traditional method of interviewing in which the natural and unrestricted flow of speech is encouraged during the interviews (Costa, Dekker & Jongen, 2004:407).

Since hard laddering can minimise the influence of an interviewer resulting in increasing the objectivity of the results (Zanoli & Naspetti, 2002:647), this was considered to be the most appropriate approach to uncover female consumers' personal values and the resulting emotions caused by garment fit problems for this study.

The purpose of this study was to establish the emotional impact and perceptions of garment fit on female consumers when evaluating the ill-fitting garment against their personal values that they aspire to achieve through clothing. This was explored by using two laddering exercises.

The first laddering exercise was to determine female consumers' personal values and emotions related to body shapes in terms of important evaluative criteria female consumers

use when choosing ready-to-wear garments in relation to their body shape. The hard laddering procedure initially identified the attributes or characteristics (positive or negative) based on the question, "*Considering your body shape, write down the three most important criteria you always apply when choosing any ready-to-wear clothing items in store.*" This was followed with a prompt by the researcher to reflect on the attributes listed by the participant through a probing question such as, "Why is the attribute important to you?" which may lead to a consequence, and a further prompt to determine why the consequence identified was important that lead to the personal values associated with the consequence. Through this technique the participant was allowed to continue revealing the importance of a particular answer which is what the laddering technique essentially aims to achieve (Veludo-de-Oliveira, Ikeda & Campomar, 2006:631).

The second laddering exercise was aimed at uncovering the emotional impact resulting from the problems female consumers encounter when purchasing ready-to-wear garments from South African retailers. The hard laddering exercise was conducted through the question, "*When considering your body shape (referring to the body shape they had associated themselves with), what are the three main problems you mostly encounter when buying ready-to-wear clothing?*" The same procedure was followed to elicit the ladders.

Analysis of the hard laddering data

The Means-ends chain theory through the hard laddering interviews provided data for the emotions relating to the underlying personal values with regard to body shapes. The hard laddering data were first analysed and coded according to the procedure suggested by Reynolds and Gutman (1988:18). The content codes were entered into the Mecalyst V 9.1 software program which tabulated an implication matrix portraying the degree of connection between the various attributes, consequences and values. Furthermore, a hierarchical value map (HVM) was constructed from the implication matrix which graphically represented the most frequently mentioned links gathered across all the participants and presented the findings.

FINDINGS AND DISCUSSION

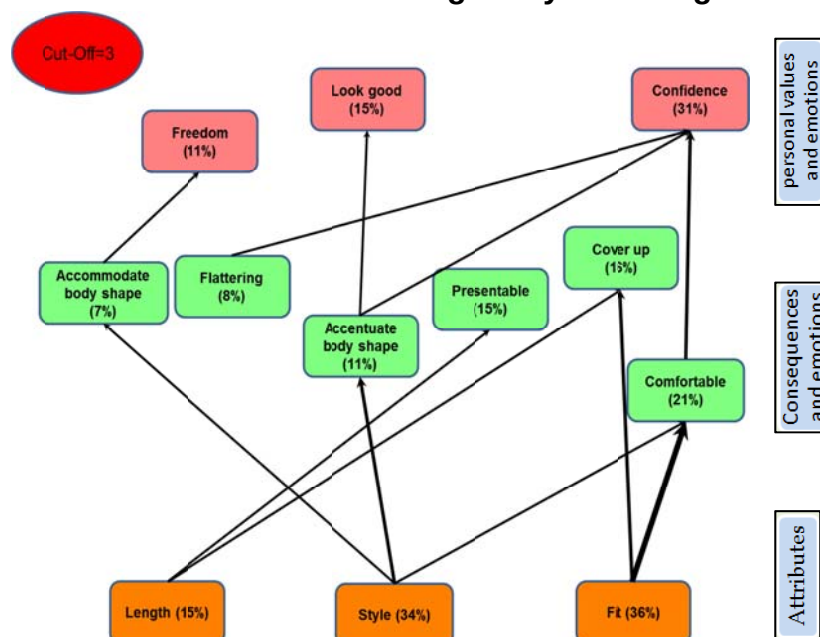
The HVM (figures 1 and 2) features the rectangle blocks; each rectangle block contains the code label and the percentage of participants who named or mentioned that particular code. Personal values which are at the top of the map are linked by arrows coming from the middle levels, which are the consumer consequences, while consequences are linked by arrows coming from the attributes which are at the bottom of the maps or from the first row at the bottom of the map. The thickness of each line represents the number of occurrences of a particular link between two codes. Thus, the thicker lines refer to links mentioned by a larger number of participants. With regard to the derived HVMs, even though different attributes, consequences and personal values resulting from the emotional connotation with the attribute and the consequence are mentioned by many different participants, it does not necessarily mean that it is represented in the HVM. Deciding which code labels should be represented was accomplished by selecting a cut-off level to indicate which links or associations between the code label should be represented or omitted in the HVM. For example, a cut-off of 2 means that all links or associations mentioned by at least two participants is represented in the HVM. The chosen cut-off for each of the maps in this study is based on the balance of meaningful

information retained and clarity of the map created as indicated by Reynolds and Gutman (1988:20). The findings are structured to reflect the purpose of this study which is to establish the emotional impact ill-fitting garments have on the female consumer when they evaluate the fitting of the garment against their personal value system. This was explored by determining female consumers' personal values and emotions related to body shapes in terms of important criteria female consumers use when choosing ready-to-wear garments in relation to their body shape and the problems encountered when purchasing ready-to-wear garments from South African clothing retailers.

Criteria for choosing ready-to-wear garments

Findings from the first laddering question resulted in the HVM presented in figure 1 with the chosen cut-off of 3. Figure 1 illustrates that "fit" (36%) of the garment is the most important attribute female consumers consider when purchasing ready-to-wear garments in the retail store. "Fit" refers to the way a garment conforms to the body as well as the appearance of it. "Style" (34%) of the garment is the second most important attribute considered after "fit" and the third attribute mentioned by the participants in this study is "length" (15%) of the garment representing the lengths of trousers, skirts and sleeves.

FIGURE 1:
HVM of the criteria for choosing ready-to-wear garments



The HVM also suggests that the most mentioned attribute, "fit", is linked to two consequences which are "comfortable" and "cover up", with the link between "fit" and "comfortable" being the strongest on the map indicated by the thicker link on the map. Comfort of garments is a psychological feeling or judgment of the wearer under certain conditions (You, Wang, Luo, Li & Zhang, 2002:307). The comfortable feeling or sensation associated with the "fit" of the garment mentioned by the participants is regarded as a psycho-social consequence. Participants explained while referring to the "fit" option of garments, *"I feel comfortable in tight-fitting garments as it makes me look younger."* Few participants mentioned that they are comfortable in semi-fitting garments as they *"...enjoy the functional aspect of easiness in their movements, and feeling presentable"*. Very few indicated comfort in a loose-fitting fit option because *"it is an appropriate look"*. The findings suggest that the comfort a consumer seeks in a garment is subjective. It is interesting to note that through different kinds of fit (tight, semi and loose fitting), female consumers seek the psycho-social consequence "comfortable" and hence the strongest link with a high mentioning of 21% on the HVM. At the highest level of abstraction, the consequence of "comfortable" leads to a personal value of "confidence", an instrumental value which is emotional in nature, with a fairly strong link. Emotions are the fundamental process which underlies every expression of the evaluation (Hannula, 2002:29). While female consumers consider the criteria for choosing ready-to-wear garments in the clothing retail environment, there is a continuous unconscious evaluation of the different alternatives and consequences with respect towards the terminal values or desired end goals (Nurkka, ([n.d]:2). This evaluation which is proceeding towards the terminal value is represented as a positive emotion.

A fairly strong link between the attribute "fit" and the functional consequence "cover up", is also illustrated. "Cover up" refers to the preference of the kind of fit which does not reveal the body shape. According to the participants in this study, tight-fitting garments which define the body structure were regarded negatively as they do not want to reveal their

body shapes as illustration in this comment, *"I consider loose-fitting garments so that I don't show my body; I avoid tight-fitting garments."* Thus the attribute "fit" is driven by the instrumental personal value "confidence", which is also a positive emotion and also the functional consequence "cover up" of the body shape.

The second most mentioned attribute female consumers consider when purchasing ready-to-wear garments in the retail stores is the "style", also referred to as the design of the garment which is linked to three consequences namely, "comfortable", "accentuate body shape" and "accommodate body shape". A fairly strong link is suggested with the psycho-social consequence, "accentuate body shape". The psycho-social consequence "accentuate body shape" is linked to the instrumental personal values and emotional connection of "look good" as well as "confidence". Another psycho-social consequence linked to "confidence" is "flattering". Thus, some female consumers are seeking to "look good" when the style of the garment accentuates their body shape. Meanwhile others associate it with "confidence".

Female consumers are also driven by a terminal personal value and emotional expression of "freedom", which is regarded as the terminal value when considering "style". The terminal personal value of "freedom" is derived from the functional consequence of "accommodate body shape". This can be explained by some female consumers' responses, *"I prefer styles with elasticated waist, flared skirts or A-line dresses which flare out to fit over hips, stomach or the back."* Yet others consider the high cut pants or jeans which they also mention will accommodate the big stomach or the back, *"I go for high cut jeans or trousers which can accommodate my stomach and the back."* "Style", however, is also connected to the psycho-social consequence "comfortable" which is related to the instrumental personal value of "confidence". Hence, the attribute "styles" is also related to the instrumental personal value and emotional experience of providing these female consumers with "confidence".

"Length" is the third most mentioned attribute for choosing a ready-to-wear garment which is

linked to two consequences of “presentable” and “cover up”. Concerning the psycho-social consequence “presentable”, some participants considered longer lengths of pants or sleeves as important when purchasing certain garments. According to one participant, *“Normal or shorter lengths of pants or sleeves look awkward on me as I am tall.”* It is understandable for these women to consider the length of garments in order to be “presentable”. The psycho-social consequence “presentable” was further explained by another participant, *“I usually considering longer skirts so as to dress appropriately for my age.”* On the other hand the psycho-social consequence “presentable” was also explained by a few participants for considering shorter length skirts, *“I consider shorter skirts; they look presentable.”* These responses suggest that the perception of presentability in the choice of garments is also subjective. One may assume that the contradiction in preferences could be connected to age differences; older females may want to dress age appropriately, while the younger females may feel “presentable” in shorter skirts or dresses. Regarding the link between the attribute “length” and the functional consequence “cover up”, the responses pointed out the fact that some female consumers feel the need to purchase longer tops so as to “cover up”, *“I go for longer tops so as to cover my behind.”*

The HVM suggests that the attribute “length” did not resolve in a personal value or an emotional experience and that these ladders remained short. An explanation for this occurrence is because of the cut-off level of 3 that was applied to achieve a more meaningful representation. The lower cut-offs show the personal values which were omitted, meaning they did not have a mentioning of at least three participants. However, it is clear through the psycho-social consequences “presentability” and functional consequence “cover up” why the attribute “length” was important to the female consumers in this study. The idea behind Means-end chain theory is that consumers’ decision-making is about evaluating (Nurkka, [n.d]:2) and selecting ready-to-wear garments which will enable them to reach their personal values. Furthermore, it is also evident that the criteria “fit” and “style” of the garment are centered around the achievement of three personal

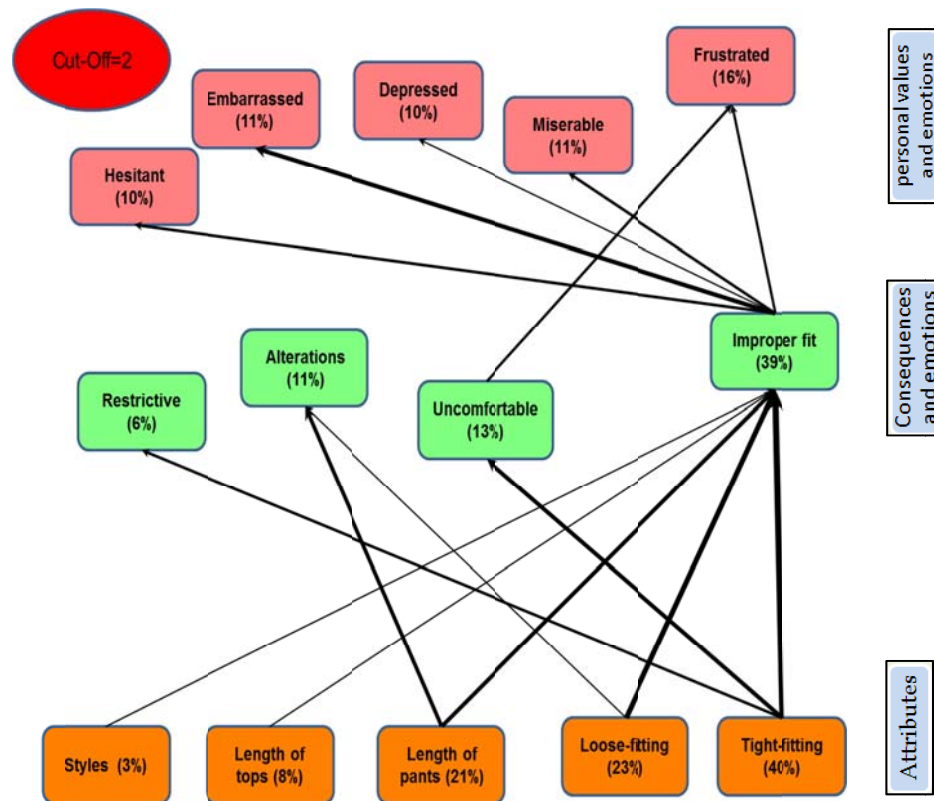
values, namely “confidence” (31%) followed by “look good” (15%) and “freedom” (11%) which are all emotional. In this regard it can be said that personal value is a type of concern that is guiding the consumers in the evaluations of products or situations in order to reach their desired end states. Furthermore, the consequences point out that the psycho-social consequences “comfortable”, “presentable” and “flattering”, reveal the positive (beneficial) emotional aspects of the female consumer when they evaluate the criteria (attributes) for choosing garments.

Problems encountered when purchasing ready-to-wear garments

To illustrate the problems with garment fit when female consumers purchase ready-to-wear garments in relation to the body shape, the second laddering exercise was performed. Findings resulted in the HVM presented in figure 2 with the chosen cut-off of 2. Although female consumers appear to mention different problematic aspects, the findings reveal that “tight-fitting” (40%) seems to be the common problem when purchasing ready-to-wear garments. This is followed by “loose-fitting” (23%), and the “length of the pants” (21%). To a lesser extent “length of the tops” (8%) and the “styles” (3%) were also considered to be problematic when purchasing ready-to-wear garments.

The problem of “tight-fitting” is linked to three negative consequences of “improper fit”, “uncomfortable” and “restrictive” with the link between “tight-fitting” and “improper fit” being the strongest. “Tight-fitting” in this regard refers to the tight feeling female consumers experience in certain areas of their bodies, while fitting well in others when they purchase different types of garments. The HVM clearly shows that all the problems encountered with ready-to-wear garments lead to the negative functional consequence, “improper fit”. Not surprising is a properly fitting garment as this may mean that when a consumer buys a garment, they above all want the garment that fits their body shape well. This negative functional consequence, “improper fit”, is connected to all the negative instrumental personal values expressed by female consumers resulting in mainly feeling “frustrated” (16%) with “improper fit”.

FIGURE 2:
Hierarchical value map of the problems encountered when purchasing ready-to-wear garments



“Miserable” (11%), and “embarrassed” (11%), were the other feelings expressed, with the link between “improper fit” and “embarrassed” being the third strongest on the map. Some participants mentioned feeling “depressed” (10%), while others mentioned “hesitant” (10%) to wear a garment that does not fit properly. According to Frijda (1986) cited in Desmet (2003:3) every emotion hides a concern (terminal personal value) and concerns can be regarded as a point of reference in the evaluation process. The significance of the negative consequence, “improper fit”, in relation to the consumers’ well-being is determined by an evaluated concern also regarded as the terminal value. In this regard, the consequence of “improper fit” did not match the concerns of the consumers. Hence the instrumental values which have been expressed through different negative emotions point to some affected underlying concerns (terminal personal values) (Desmet et al., 2001:3).

The second strongest link in the HVM is from the problem, “loose-fitting”, also associated with the negative consequence of “improper fit”, which, as already illustrated, is central in the HVM. Female consumers stated that the looseness of garments in certain parts of their bodies was caused by the unbalanced measurements of the garments for different body shapes, as comment by one of the participants, “For dresses I experience loose fitting around the neck area while fitting well in the bottom part.” “Length of the pants”, which is the third mentioned problem with garment fit, is linked to two negative consequences of “improper fit” and “alterations”. “Length of pants” represents lengths of pants which do not correspond to the various heights of the consumers. Both these links are the third strongest as well as the link between attribute “tight-fitting” and consequence “uncomfortable”. Although the length of the pants is problematic, some female consumers seem to turn the problem into a challenge by altering the garment to fit

properly, however this ladder stops at the consequence level without attaining the personal value level which may suggest that female consumers feel that fixing the garment is more important than dwelling on the effects of the problem and that some female consumers are also able to alter garments which are loose in some parts of the body.

The HVM also suggests that the instrumental value, “frustrated”, is reached in a different way by some participants. Female consumers answered that they feel “uncomfortable” with “tight-fitting” garments in some areas of their bodies such as the hips, waist and bust as expressed in this comment, *“It is uncomfortable wearing garments which are fitting tightly around the hips.”* The negative psycho-social consequence “uncomfortable” is associated with the emotion “frustrated”. The link between the problem “tight-fitting” and the undesirable consequence “uncomfortable” is also the third strongest link on the map. The problem “tight-fitting” is also shown to link to the negative consequence, “restrictive”, as illustrated in this comment, *“I feel restricted in my movement when I wear ‘tight-fitting’ garments.”* With regard to the remaining problems encountered when purchasing ready-to-wear garments, “length of tops” and “styles” are also related to the negative consequence, “improper fit”. Some of the participants responded in terms of “styles” that, *“The tops are not long enough to cover the bottom”* and another participant commented, *“Styles of the garments are too youthful, which makes them wrong for the mature bodies.”*

In addition, the undesirable consequences “improper fit”, “uncomfortable” and “restrictive” also describe the negative emotional aspects expressed resulting from the evaluations of the problems they encounter with ready-to-wear garments. This corresponds well with what different researcher have pointed out, in that women find it difficult to find a garment that fits well, which makes them unhappy consumers (Horwaton & Lee, 2010:22; Barona-McRoberts, 2005:2; Otieno, et al., 2005:307).

CONCLUSION

Garments and their outward appearance that individuals wear greatly influence the way they think, feel and behave (Rasband & Lichty, 2006:3) and as such the criteria for choosing ready-to-wear garments could be considered an important step in what the consumer aspires to achieve through clothing. Through garments the body becomes a form of self-expression of personal values to others (Kaiser, 1998:146); the study suggests that the criteria for choosing ready-to-wear garments rests upon whether the garment provides desirable consequences contributing to the achievement of the personal values of a consumer also expressed as positive emotions.

Furthermore, female consumers seek out certain personal values through garment fit, however, the personal values that these participants aspire to achieve through clothing seems to be affected by various problems: tight-fitting, loose-fitting, lengths of tops or pants as well as the styles of garments which do not conform to various body shapes of women. As already stated, emotions and personal values are closely related in that the emotions hide a concern which is important to the consumer. In this regard, personal value is the concern which is also the terminal personal value that gives the situation (for instance improper fitting garment) its emotional meaning. This study, therefore, suggests that the expressed negative instrumental personal values (emotions) point to the unnamed concern or a terminal personal value which is hindered by the problems the participants in this study have identified with ready-to-wear garments found in current South African clothing retailers.

The findings from this study are useful to clothing manufacturers and retailers to reiterate the effect that variations of South African female consumers’ body shapes have on the experience of garment fit which has been illustrated as directly link to the personal values of the consumers and related emotions captured in the perception of the fit of the garment. It is recommended that manufactures and retailers consider the body shape requirements of the female clothing consumer in order to provide styles and designs that address the ill-fitting state of ready-to-wear clothing South African consumers have to select from. A study that quantifies and relates body shape to personal values and resulting

emotions will allow a more precise understanding of the body shapes that are particular to South Africa and the values that drive the purchase of certain garment design preferences in South Africa.

MANAGERIAL APPLICATIONS

Garment fit problems related to ready-to-wear clothing have highlighted that there are several significant steps which clothing manufacturers and retailers need to take in order for them to produce and provide garments which will satisfy the needs of female consumers. Based on the findings of this study, it is worthwhile for clothing manufacturers and retailers to focus on providing garments that target a specific market, bearing in mind the various body shapes of the purchasing South African female consumers. When the target market is too wide, it is difficult to adapt the fashionable designs to meet various body shapes. Managerial approaches in this regard should be that all their marketing efforts and all that they entail should focus on the target market. This is because according to Bickle (2011:165) the primary target market represents the majority of the clothing retailer's sales and profits. This group is the retailer's primary reason for doing business.

Furthermore, it would also be beneficial for management to take an interest in uncovering the unique needs of their target market. A greater understanding of female consumers' personal values and knowledge about the criteria when choosing garments identified with different body shapes and the emotional impact female consumers endure when they experience garment fit problems is vital, rather than concentrating solely on the fashionable product selection, more specifically while being influenced by the international trends, they must also consider the local preferences. The information can be used in decision-making right the way through the supply chain, from design and merchandising through to the formulation of effective marketing strategies.

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Marketing Communication – An Integrated Approach

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BOOK REVIEW

Koekemoer, L (ed). 2014. Marketing Communication – An Integrated Approach.
4th ed. Cape Town: Juta.

CEO of AAA School of Advertising Dr Ludi Koekemoer recently launched the fourth edition of his book Marketing Communication – An Integrated Approach. Co-authored by topic experts, the book is a cornerstone for the understanding of the marketing communications landscape for second and third year university students as well as anyone who wants an updated, relevant and contextual view of marketing communication.

The 15 chapters are written by industry experts and academic leaders including:

- ▯ Ludi Koekemoer (Advertising expert)
- ▯ Steve Bird (Direct Marketing expert)
- ▯ Ryan Sauer (Digital expert)
- ▯ Mortimer Harvey (Shopper marketing expert)
- ▯ Minette Koekemoer (Consumer Insights expert)

Marketing Communication is a flagship book for publisher Juta with relevant South African examples making it extremely pertinent to and informative for the industry. The foreword is by industry stalwart and champion Nkwenkwe Nkomo and the text is enhanced with practical examples, tips and checklists.

Dr Ludi Koekemoer comments: “Although this is the 4th edition of Marketing Communication, this time it’s not simply an update. It was largely compiling a new book because the advertising landscape has changed dramatically in recent years.”

Key elements were added to existing chapters which were updated and consolidated into one chapter each on PR, Sponsorship, DRM etc. the following 5 new chapters were also added:

Chapter 1: IMC: Past, present & future and the focus on integrated brand communication.

Chapter 2: Factors influencing IMC decisions including consumer insights, budget constraints, the role of innovation, internal marketing and relevant regulatory & ethical issues.

Chapter 9: Shopper marketing – an exciting new chapter prepared by Mortimer Harvey linking shopper insights and strategies to Sales Promotions. It is a first to have a chapter like this in a Marketing Communication text.

Chapter 13: Alternative communication channels. This chapter expertly captures and outlines the role of unexpected, unconventional and disruptive tactics.

Chapter 14: Digital media marketing. This chapter outlines the digital tools and their application (i.e. the knowing and the doing).

Throughout the book the authors outlined the role of new technology and new media. Koekemoer Explains: “Technology has changed marketing and communications tools and strategies dramatically resulting in a wide variety of digital media alternatives. Media

have changed and media planning has become a serious challenge due to the wide variety of media touch-points and media fragmentation. The world economy has crumbled forcing everyone to focus on effective communication. Digital media has infiltrated the classical media space and TV, radio, newspapers, magazines, outdoor, events and brand entertainments are now linked to digital tactics. Advertising has shifted from A to B, never to return,”

For the industry the textbook covers a wide variety of IMC tools, key issues, what to consider, practical examples, how to plan, checklists and tips. For the lecturers and students it covers the South African IMC landscape, IMC objectives and learning outcomes. Every page also provides key learning points in the margins.

No more thick and thin – Brands need to evolve to remain relevant for today's consumers

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OPINION

Summary based on Sarina de Beer's market opinion
at the annual Icon Brands event in Johannesburg, July 2014.

Sarina de Beer, managing director at leading market research company Ask Afrika, said at the annual Icon Brands event in Johannesburg that it is astonishing that more than 8 000 brands are measured and only 31 brands meet the criteria and end up becoming an Icon brand. Many brands, despite having brilliant ideas, have missed the mark in a very competitive landscape. This is often because the consumer is not their focal point. De Beer said that to achieve Icon brand status, brands should not only be liked, but should be consumed by South Africans regularly and loyally. Icon brands are relevant and penetrate all demographics in SA. But this year's survey showed a decline in loyalty ratings.

"Loyalty towards a brand, as we previously knew it, does not exist anymore. Consumers have a polygamous loyalty, and brands might try their best to maintain loyalty to consumers. In the food industry, loyalty to brands has declined across the board. Furthermore, there is also a decline in the drinks category, especially alcoholic drinks, as well as in the communications and financial services categories," said De Beer.

The research found subscription markets, such as cellphone contracts, are also declining. Consumers no longer have only one bank –

they tend to have multiple bank accounts and SIM cards. "Many consumers could not tell us their main cellular provider. When taking expenditure into account, we are sometimes even wrong with our predictions of with which cellular provider is our main provider," said De Beer.

ICON STATUS IS RELEVANT ACROSS A WIDE SPECTRUM OF CONSUMERS

There are five main drivers that steer brands to iconic status. Firstly, iconic brands generate critical mass. This means they are available and accessible to diverse platforms in South Africa. They also have strong appeal. These brands penetrate all socioeconomic strata of SA and are found in almost every household.

"These brands also have zero complacency. This means they tick the four Ps – product, place, price and promotions – while realising that marketing is about so much more than just the four Ps. Furthermore, they manage to create some kind of affinity and there is an emotional connect established between the consumer and the brand," De Beer said.

Lastly, these brands have diverse ranges of products. Without such extensive ranges they

would not be as successful and relevant throughout SA.

ICON BRANDS OF THE PAST FIVE YEARS

When looking at Icon brands in the past five years, the consistency of the winners is astonishing. “We are unified by our palates to a large extent, and over the past five years the food category has delivered winners. This is because of consistent and relevant use by consumers. They are in South African households and they are affordable. Seven out of the 10 Icon brands this year are home-grown brands. Often as South Africans we tend to think that overseas brands are better, but this shows we have world class within our borders,” she added. De Beer said most brands have deteriorated and to think Icon brands have to be heritage brands is an enormous mistake. This year’s awards reveal that South Africans will not by default choose and celebrate only heritage brands, but are open to new brands that offer something interesting but relevant as well.

When looking at the Icon Brands, the fast food and restaurants were most successful. As South Africans we were more loyal to them and they cut through the demographic.

SOCIAL MEDIA AND PERFORMANCE

The top Icon brands perform relatively well against social media. Of the top 10 Icon brands, eight are active on social media platforms. Combined these top 10 brands have more than 600 000 people in SA with whom they actively engage daily. Icon brands typically have official pages on most social media platforms. Where the brand doesn’t have a page, the holding company has one.

Nokia and Robertsons perform best when you consider the number of followers they have on various platforms, the engagement they receive from consumers, and the perception of how these engagements are handled (Cerebra).

WINNING HEARTS

De Beer said that innovation is one of the major trends this year. There is a significant decline in support of big brands. Consumers

are more open to new brands – brands they don’t know as well as private-label brands.

“A few years ago we said it is a cheaper brand, people won’t buy the cheaper brand, but more and more we find that consumers are buying private-label brands with retailers that they respect. Private labels are gaining respect and consumers are open to using them because they are entrenched in big retailers that are trusted.”

This is not only applicable to South Africa. Only 33% of US consumers still trust big brands and new, unknown brands have more consumer approval. To a large extent, this is driven by social media. But higher standards are set for heritage brands. One example is the new Australian toilet paper brand called Who Gives a Crap. This brand has shown that heritage brands often come with baggage compared with new brands. Brands that communicate this successfully are leaner and cleaner – they are more flexible and it is easier for them to move forward.

“Did you know that 40% of the global population does not have access to toilets? Who Gives a Crap donates 50% of its net profit to setting up and building toilets globally. Also, it uses only recycled paper to produce toilet paper. They manage to stand for something and to create smiles and conversations around toilet paper,” said De Beer.

South Africa has its own clean-slate brands, one of which is Gautrain. Although there was initial apprehension, its appeal has grown significantly. Clean-slate brands have broad appeal and make themselves universally relevant. They are authentic and congruent in how they relate to people. Clean-slate brands stand out from the pack – they have fresh ideas and modern, relevant values.

“However, you don’t have to be a new brand to be a clean-slate brand. One such brand is Mugg & Bean. Consumers keep returning for its famous bottomless coffee that keeps conversation alive for hours. Also, Coke introduces new things regularly, and Robertsons introduced MasterChef, which has nudged us closer to being a nation of foodies. “Consumers also ask more from an innovation

perspective. Bill Gates' idea of 'innovating to zero' bears much relevance for incumbent brands. The aim is not to reduce a challenge or problem but to wipe it out – we don't want crime or carbon emissions to be reduced, we want it to be eliminated to zero," said De Beer.

THE LOCAL CONTEXT

Even though there has been much to celebrate in South Africa during the past few years, there is still significant discontent. Despite standard of living improving notably for millions of citizens since 1994, our unemployment levels are still high and there is still a sizeable proportion of the population that has been excluded from upward social mobility. Social discontent is also a very regular phenomenon in our country; and this is one of the things that make South Africans prone to escapism.

According to the British brand Sainsbury's report titled *The Rise of New-Fashioned Values*: "As the world headed into recession most people were betting the credit crunch would lead to a values crunch. But the opposite has happened. Rather than seeing economic constraints cause a cutback in values, we have seen it drive an increased appetite for them. By having to put more thought into what they buy, consumers are taking a greater – not lesser – account of what personally matters to them." (Justin King, CEO of Sainsbury)

South Africans are focused on being good, and can be defined as either utopians or virtuous. Utopians are there for the community, whereas virtuous are more self-orientated. On the whole, though, South Africans are becoming increasingly more utopian.

HAPPINESS IS A VERB

Between 2012 and 2014, South Africans became happier. In 2012 53.4% of us indicated that we were happy with our lives. In 2014, 55.6% said they were happy. We cannot be too excited about this upward trend because there is still a large number of South Africans that are unhappy and this has a direct impact on how brands are perceived. Happiness affects brands and how consumers engage with them.

"When ranking the industries, the research showed that the top industries – such as restaurants, fast food, drinks and retail food – are linked to consumers' pleasure principles. Family is becoming increasingly important to us. "Behind them are industries connecting people. Industries indicating quality of life – such as pet foods, financial services and DIY and gardening – are in third position, and the health, personal care and household appliance industries are in fourth," said De Beer.

TECHNOLOGY IS TAKING RETAIL TO NEW LEVEL

With the growth of online shopping, and now with mobile wallets, you don't have to carry cash. De Beer said: "We are also seeing more pop-up stores, such as spazas and shebeens, that create convenience and access. Brands can tailor themselves to better meet consumers' needs and wants. Modern retail accounts for 60% of transactions in South Africa, with a considerable 40% of the retail economy taking place in the informal sector. Also, urban growth is still informal and uncontrolled. This poses the question: Does your brand translate well across the divide, and does your brand speak to townships and the informal settlements?"

"A lot of companies make the mistake of advertising on billboards by using long text in a European context, and we are not sensitive to the dynamic we find within this market," De Beer said.

In the spaza landscape, a significant number of shops are not locally owned, and many foreign-owned shops offer interest-free credit on essential products. According to this year's Icon Brand survey a staggering 55% of township residents do their shopping at spaza shops, and nearly a quarter of them have no personal income. The residents buy broadly within their communities and purchase from a wide repertoire of stores. Consumers who shop at spazas are 10% more likely to buy Coca-Cola, 20% more likely to buy Kiwi and 20% more likely to buy ProNutro.

SEGMENTATION

There is various integrated segmentation in the consumer market, but to tap into it, you really need to understand your consumer.

“A lot of our stereotypes have changed. It is important not to allow our own stereotyping to cloud how we perceive a consumer. We need to be cognisant that roles have evolved. Demographic shifts and household dynamics have been redefined. When general shopping is taken into account, 57% of males agree that they enjoy any form of shopping. Therefore, retail therapy is no longer a ladies-only thing. Males are embracing the softer things in life and we have to be careful about our own stereotypes and belief systems. Even brands’ best intentions could have a big impact and taint a product.”

THE IMPLICATIONS OF 2014 RESEARCH

In summary, customer loyalty continues to decrease and will only decrease further in future. Consumers are losing trust, they are expecting more and they are looking for external validation. They won’t judge your brand only on what they think, but also what their peers or an external party thinks.

“We have to have value-driven strategies. We need to know what we stand for as a brand and we need to live it authentically and congruently.”

“We still find ourselves in a harsh political and economic reality. Consumers are asking for more from a corporate social investment perspective. It is important to find the opportunity that works for citizens and not just consumers. Recognise consumers in the context we live in daily and recognise that they are more than just consumers,” De Beer said.

The days of persuasion are long gone, and brands need to earn commitment by continuously reinventing themselves.

“We are living more fluid lives, which places pressure on convenience and accessibility. Brands should recognise that their competitors are not only the obvious ones.”

“We shop and pay differently. The challenge is to connect successfully with our consumers. It is about the simplicity of messages to make transactions as simple as possible, and always creating accessibility.”

Forty percent of the retail industry is in the shadow economy. These stores aren’t owned by South Africans, so brands need to ask: “How do we communicate and create local strategies that work for local consumers in foreign-owned shops?”

“Stereotypes are becoming increasingly irrelevant. Brands should check their beliefs. Consideration should be given to intent versus impact, and you should know your customer as a citizen,” she said.

ABOUT THE ASK AFRIKA GROUP

Over a period of almost two decades, Ask Afrika Group has grown to be the largest independent South African market research company. The company focuses on local relevance, benchmarked against the global context. Ask Afrika is a member of WIN/Gallup International. Apart from its large South African footprint, Ask Afrika also operates in a dozen African continental territories.

Ask Afrika Group is well known for delivering strategic and large scale field projects and for creating benchmarks for industry. With regards to service excellence Ask Afrika Group is the preferred research partner across industries to co-craft customer service strategies through meaningful research methodologies across the value chain and customer service touch points.

The Ask Afrika Group’s exclusive product suite includes the Ask Afrika Orange Index®, the Trust Barometer™, Radio Moods™, Ask Afrika Icon Brands™, Township, the Digital Barometer, the Lite Data Collection, the Behavioural Sciences Package and Gateway. Ask Afrika is proud of its exceptional service delivery, with offices based in Pretoria and Stellenbosch. For more information please visit the website: www.askafrika.co.za.

SARINA DE BEER

Sarina de Beer is Managing Director at Ask Afrika. She boasts two Masters degrees - one in Psychology, and one in Research Psychology. She started her career as a lecturer at the University of Pretoria, where a driving

ambition was born to become a respected researcher.

This drive flourished at Ask Afrika where she managed to create a synergy between business consulting and research. Sarina has successfully blurred the lines between research and the consultation of business-driven clients to ensure that they derive commercial value from research.

Her business exposure lies across a range of industries and she has a passion for identifying social trends that impact brand expectations in the financial-services sector and the media industry.



Source: The focus group, 2013.